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Annual Report  
2011/2012



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Cover Image: Participants  
in the Museum's new *Urbanlife*  
programme.



## Year in Review

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# Year in Review



# Sharing our highlights 2011/2012

A compelling place  
to visit today

## Increased visitation

# 849,000

visits to Auckland Museum,  
up 17,000 on past year

Connected to our communities

## Public access

# 19,000

visited Event Centre family space  
over summer holidays

## Visitor satisfaction

# 97%

rated their visit 'good' or 'excellent'

## Reaching youth

# 2 year

*Urbanlife* programme launched  
April 2012

## More Aucklanders

# 21%

increase in visitation by adult  
Aucklanders on past year

## Celebrations

# 50 years

of Samoa's independence marked onsite

## Online endorsement

# 4.5

out of 5 stars on TripAdvisor website

## Online appeal

# 8,231

people visited *Identi-Tee* website,  
average stay 4 minutes

## Exhibition

# 94%

overall satisfaction among visitors  
to *The Poisoners* exhibition

## Quality content

# 61

presentations and lectures by curators  
and research associates

A place of innovation,  
discovery, learning and research

Inspiring discoveries

**56,000**

students attended Museum learning  
programmes

Connecting online

**1st**

place in global museum social media  
awards for Kermadec blog

Trialing new technology

**409,500**

unique visitors to the Museum's websites

Acknowledging excellence

**4**

prestigious Auckland Museum  
Medals awarded

Enquiries answered

**6,500**

responses to public and professional  
enquiries

A leader in Auckland

Environmental impact

**12.1%**

reduction in carbon emissions in 2011

Energy efficient

**40%**

reduction in natural gas usage  
in first half of 2012

Volunteer generosity

**240**

active volunteers

A great place to work

**62.4**

million steps recorded on staff  
pedometers during 6-week programme

A place of commemoration and taonga

Public engagement

**6,600**

people came into the Museum for  
ANZAC Day programming

In the community

**1st**

time iwi taonga sent to Kaikohe  
for Ngapuhi Festival

Reaching out

**1 year**

loan of precious Kaitaia Lintel to  
new Kaitaia Museum

# Board Chairman, Taumata-a-Iwi Chairman & Director's Report

**Te whānau  
Tāmaki Paenga Hira  
Te Moananui-a-Kiwa  
Aotearoa  
Te karanga o te manu  
Hui hui mai tatau**

A global award for online excellence, dramatic cuts in energy usage and innovative programmes taking *taonga*, other treasures from the collection and rich experiences into communities and onto the web were highlights of Auckland War Memorial Museum's past year, the 160<sup>th</sup> since its inception in 1852.

Research was given fresh emphasis with the launch of a Research Centre. The Centre will boost what is known about collections, promote partnerships with other research/academic institutions and offer more value to audiences. Almost 5,000 specimens from the 2011 Kermadec Islands discovery expedition were added to our collection databases. The Museum now has the world's most comprehensive collection of plants and animals from these remote islands. These will provide the basis for ongoing research publications in peer-reviewed journals which will inform academic studies and Museum storytelling for years to come. The expedition blog won a social media category at the awards of the influential Museums and the Web Conference in San Diego.

War Memorial events were marked with deeply moving ceremonies and activities that touched all ages. The Prime Minister, John Key, was one of the many who attended the Dawn Service at the Cenotaph on ANZAC Day, when almost 7,000 came inside the Museum to enjoy special programming. 24 Battalion was given a poignant farewell and the year featured many chances to engage with personal and collective stories of identity and sacrifice. Staff continued to refine plans for the Museum to play a major role in commemorating the centenary of the First World War and significant anniversaries between 2014 and 2018.

Internally, the Museum drew on recent public consultation to prepare for the roll-out later in 2012 of *Future Museum* - an exhaustive plan to give Auckland the 21st century museum it will need as the world's most liveable city. The thorough research and the detailed preparations bode well for a strategy that is well conceived and looks forward 20 years; the Plan reflects great creativity, energy and teamwork across the staff, with sterling inputs from members of the Trust Board, Taumata-a-Iwi and many other advisors, including volunteers and members of the public.

Precious *taonga* from the Museum's collections were shared with communities outside of Auckland in an effort to re-connect with these communities and to boost engagement beyond the walls of the Museum. A greenstone *mere* reputed to have belonged to Ngāpuhi Chief Hongi Hika was acquired thanks to the Museum Circle Foundation and given pride of place at the Ngāpuhi Festival in Kaikohe. One of the country's oldest *taonga* Maori – the Tangonge *taonga* or 'Kaitaia Carving' – was loaned to the new Te Ahu Heritage Museum in Kaitaia, and other *taonga* were shared with institutions across Auckland and in Rotorua, Gisborne and Wellington.

*Urbanlife* – a creative, two-year partnership with youth mentors, artists and young people – was launched to help develop the Museum's ability to respond to Auckland's urban landscape and reflect the needs and interests of young people. Other outreach highlights included engagement with many thousands of people at events such as Pasifika and Polyfest.

Over 56,000 school students took part in the Museum's learning programmes. General visitation grew by 17,000 to reach 849,000 and staff and volunteers continued to provide visitors with high quality experiences – leaving them wanting more online, in the community and on-site in the Domain.

Environmental sustainability was taken to a new level. Our carbon footprint was cut by 12.1% during 2011 and air conditioning refinements helped to reduce natural gas usage by 40% in the first half of 2012. Electricity use fell by 15%. These efficiencies shave \$200,000 from our annual \$1m energy bill and demonstrate our efforts to provide ratepayers with improved value.

The international exhibition AQUA and weekend talks about the world's greatest rivers were well received. As Rugby World Cup fever gripped the nation, the Webb Ellis Cup went on public display and tens of thousands visited the exhibition about Maori rugby. *You Are Here* in the Sainsbury-Horrocks Pictorial Gallery told Auckland stories through maps and the *Poisoners* exhibition enthralled families. The year ended with *Identi-Tee* reinventing exhibition formats via public contribution of online content; and the launch of the *CAMERA Season of Photography*.

A vibrant series of public programmes included an extensive, varied and popular celebration of Matariki and a fifth season of *LATE at the Museum*. The Fazioli series opener in March featured Michael Houston. In a new move, the Event Centre atop the building opened to the public for a month over the Christmas holidays at no charge. Almost 20,000 people enjoyed the family picnic spaces, a children's playground and the expansive views.

The Museum was the venue for two major Auckland civic events attended by Mayor Len Brown: the signing of the Tāmaki Makaurau Collective Deed of Settlement and the Auckland Plan launch.

The Trust Board, Taumata-a-Iwi and Director have worked closely together to develop programmes and initiatives for the future that will continue to benefit the people of Auckland and celebrate the rich collections of this prestigious institution. The Trust Board has been gratified by the strengthening of the Museum's bicultural foundation, not least through the proactive engagement of the Taumata members, which promises very well for the future.

Throughout the year, the Trust Board has acknowledged the leadership and strategic guidance of the new Director, Roy Clare, who has followed the wise hand of Sir Don McKinnon in providing vision and stability; and under whom the development of a positive workplace culture has remained a priority. We recognise the talent and creativity of our staff at all levels and we are deeply grateful for their combined commitment to the future of this institution.

We wish especially to express the debt of gratitude we owe our 240 volunteers, who between them have contributed 25,000 hours in the past 12 months. Their resolute engagement is an inspiration and an essential component of the Museum's success.

The Museum also benefits greatly from its relationships with our Members, the Auckland Museum Institute, Museum Circle Foundation, the RSA and our sponsorship partners. We acknowledge too, the support of Auckland's Mayor, Councillors, Council officials and the Board and staff of Regional Facilities Auckland.

Most especially we thank the people of Auckland who pay for our work and contribute to the depth and breadth of all that we do. We are here for you and for our many visitors from across New Zealand and overseas.

Ngā mihi na,



Dr William Randall  
Trust Board Chairman



Martin Mariassoue  
Taumata-a-Iwi Chair



Roy Clare CBE  
Director

# Museum Medals

Auckland War Memorial Museum recognises individuals who have given exceptional service to this Museum and other New Zealand museums.

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### Four medals were awarded for the 2011 calendar year

**The late Dame Judith Te Tomairangi o Te Aroha Binney**

**The late Professor Roger Neich**

**Dr Nigel Prickett**

**Professor Russell C.J. Stone.**

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### Fellow

Awarded for exemplary scholastic achievement relevant to the Museum's collections and activities. The contribution to the Museum or other New Zealand museums must be unique and valuable. The recipient must not be a permanent employee of the Museum or a member of the Board at the date of nomination.

**Dame Judith Te Tomairangi o Te Aroha Binney 2012**

**Dr Janet Davidson 1999**

**Sir Hugh Kawharu (Fellow & Companion) 2006**

**Dr Michael King 2002**

**Professor John Morton 2002**

**Professor Roger Neich 2012**

**Jeremy Salmond 2002**

**Dr Lucy Cranwell Smith 1999**

**John M Stacpoole 2005**

**Professor Russell C.J. Stone 2012**

**Dr Ranginui Walker 2002**

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### Companion

Awarded for singular achievement in the service of the Museum's or other New Zealand museum's public and community roles. The recipient must not be a permanent employee of the Museum or a member of the Board at the date of nomination.

**Dr Lindo Ferguson 2002**

**William Laxon 2003**

**Lyndy Sainsbury 2005**

**Henare Te Ua 2003**

**Sheila Weight 1999**

**Rev. Dr Takutai Wikiriwhi 2002**

**Dr T L Rodney Wilson 2007**

**Lorraine Wilson 2005**

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### Associate Emeritus

Awarded to former Museum staff and current/former research associates to mark noteworthy achievement. Their work contribution to the Museum must be considerable with the potential for ongoing links to the Museum.

**Trevor Bayliss 1999**

**Enid Evans 1999**

**Mick Pendergrast 2002**

**Nigel Prickett 2012**

**Katrina Stamp 2002**

**Evan Graham Turbott 1999**

**Keith Wise 1999**

# Research Publications

**During 2011/2012,  
Museum staff & research  
associates published two  
books, 63 articles, one  
report and one thesis.**

**Museum curators gave  
61 presentations and  
lectures and answered  
over 6,500 public and  
professional enquiries.**

Museum staff and research associates are highlighted in bold.

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## Our Research Associates

**Dr Rosemary Barracough**

**Vivien Caughley**

**Clinton Duffy**

**Dr Rhys Gardner**

**Dr Todd Landers**

**Dr Peter de Lange**

**Margaret Morley**

**Dr Mike Wilcox**

**Keith Wise** (deceased March 2012)



# Trust Board, Taumata-a-Iwi and Executive Team

# Trust Board

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## Dr William Randall Chairman

With Master's and PhD degrees in biology as well as an MBA in business/finance, William Randall has spent 15 years in banking and finance where he managed the treasury function for a large US investment company (Fidelity Investments) and was the managing director of New Zealand stockbroking company ANZ Securities NZ Limited. Currently a director of Chrysalis Capital Partners, William's primary interest lies in helping the country to develop its life science capabilities.

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## Paul Brewer

Paul is Director External Relations for Regional Facilities Auckland. Paul has held a variety of corporate communications roles in New Zealand's cultural, financial and political sectors. He was the founding director of marketing and communications at the Museum of New Zealand Te Papa Tongarewa where he established and directed all aspects associated with the Museum's external positioning, including the development of international tourism strategies and programmes. He is also a trustee of the Kiri Te Kanawa Foundation and the Queen Elizabeth II Diamond Jubilee Trust and is an active supporter of the international project to restore the historic Alexander Palace near St Petersburg in Russia which he promotes through lectures and interviews.

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## Carol Gernhoefer

Carol Gernhoefer is a chartered accountant with a postgraduate degree in Japanese. She has 20 years of experience as an accountant and consultant working for one of the Big Four chartered accounting firms and also as a Chief Financial Officer. As her work experience was gained in the UK, America, Japan and New Zealand she is able to apply a global perspective to business operations in New Zealand. Carol is currently an associate at Lyne Opinion providing expert financial opinions in the areas of business valuation, litigation support and financial dispute resolutions. She is also a facilitator for the New Zealand Institute of Chartered Accountants accountancy school programmes and has a strong interest in not-for-profit organisations.

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## Tafilelea Fa'avae Gagamoe

Fa'avae Gagamoe is studying for an MBA at Massey University and is a BEST/Arrow Scholarship recipient to study leadership at the University of Auckland in 2012/2013.

Past commercial experience includes commercial roles with Air New Zealand and Pacific Blue Airlines. He is co-chairman of RAISE Pasifika; vice-chairman of Rugby League Samoa NZ and an executive member of the Samoa Auckland Council and the Samoan Auckland City Community Fono. Fa'avae has given extensive community and local government service in the fields of health, economic development, media, water safety, the arts and volunteering.

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## Peter Hays

Peter brings to the Board his experience in chartered accountancy and business in Auckland. He holds a B. Com (Auckland), a Diploma in Dispute Resolution and Arbitration (Massey) and the professional memberships of Fellow Chartered Accountant and Fellow Arbitrators' and Mediators' Institute of New Zealand. Peter has served widely in his profession including nationally as President of the NZ Institute of Chartered Accountants and internationally as a member of the Council of the International Federation of Accountants, the peak body for the international accounting profession. His wider involvements have included membership of the Crown entity, the Accounting Standards Review Board (now named the External Reporting Board), and the Market Surveillance Panel of the NZ Stock Exchange. Peter serves on the boards of several companies and charitable bodies. He has had a lengthy association with the Museum through the Museum Circle Foundation, of which he is a former chairman.

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## Dr Margaret Horsburgh CNZM

Margaret Horsburgh holds a Doctorate in education and Master of Arts with first class honours in education. Her undergraduate degrees are in anthropology and archaeology. For 25 years she has been involved in tertiary education at a senior level at AUT University and the University of Auckland. She is a registered nurse, holds an Associate Professorship in the Medical and Health Sciences Faculty at



the University of Auckland and continues to have an active research portfolio. Margaret has governance experience with both Crown companies and not-for-profit organisations and is a member of the Institute of Directors. As an active Rotarian she has wide involvement with communities.

### John McIntyre

John McIntyre's background is in the service industry where he has had an extensive career in the travel industry sector, principally in the fields of airline sales, marketing, operations, relationship management and corporate key account travel management. Holding postgraduate qualifications in marketing and having a strong interest in history and heritage has led to a broadened involvement within the tourism sector. Currently a freelance Auckland tour guide and marketing consultant, John is also involved with the business and labour history group of AUT University's Work Research and Labour Market institute.

### Wendy McPhail

Holding postgraduate qualifications in business administration, Wendy McPhail has 20 years of sales and marketing experience in senior management

and professional consulting services. In 1992 she established the Covey Leadership Centre in New Zealand, and worked with clients across Asia Pacific with this highly successful leadership development organisation. This led to her interest in strategic foresight. As a director of In Touch Group, she advises start-ups, private and public sector and not-for-profit organisations to position themselves effectively in a world of accelerating change.

### John Sinclair

John Sinclair is a registered architect who has practised in New Zealand and abroad since 1972. He is a graduate of Auckland University and has been director and consultant on developments throughout New Zealand, the Pacific and Asia. He is a former member of the Auckland Regional Council, past President of the NZ Institute of Architects and has represented NZ on the Union International of Architects and the Commonwealth Association of Architects as vice president Oceania. He is chairman of Chamber Music NZ Foundation, board member of the NZ Academic Audit Unit, trustee of Musica Sacra, Cathedral Music Foundation, former chairman of Auckland YMCA, a member of Auckland Cathedral Council and the Auckland Zoo Trust.

Clockwise from top left: Dr William Randall, Paul Brewer, Carol Gernhoefer, Fa'avae Gagamoe, Peter Hays, Danny Te Puna Tumahai, John Sinclair, Wendy McPhail, John McIntyre, Dr Margaret Horsburgh

### Danny Te Puna Tumahai

Te Puna Tumahai is a nationally recognised kaumātua (elder) of Ngati Whatua o Orakei and chair of their Kaumātua Council. From 1996 to 2007 he was chair of the Museum's legislated Maori Advisory Committee: the Taumata-a-Iwi (comprising Ngati Whatua, Tainui and Ngati Paoa). He is the Taumata's appointee to the Museum Trust Board, carrying overall responsibility for alignment of Maori values (mana Maori, mana whenua, manaaki) at governance level. Te Puna advises departments of Courts, Corrections and Education; serves on The Edge (Auckland City Council's Arts Board), the Orakei Reserves Board and the National Maritime Museum Trust. On top of this he continuously fulfils Ngati Whatua civic duties in partnership with the Mayor of Auckland.

**Dale Bailey and Margaret Malcolm left the Trust Board during the year.**

# Governance Statement

**The Auckland War Memorial Museum continues to make considerable progress in observing the core elements of good governance, as articulated by the Securities Commission (Financial Markets Authority, 1 May 2010). All Museum decision making adheres to these nine principles. The Board observes:**

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## **Principle 1** Ethical Standards

The Trust Board is committed to the adoption of ethical conduct in all areas of its responsibilities. Its Code of Ethics and Conflict of Interest policies provide direction to Board members and the Board in addressing ethical issues in the best interests of the Museum.

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## **Principle 2** Board Composition and Performance

The Trust Board is comprised of ten members with the experience and expertise to provide counsel on a broad range of issues and form independent judgement on Museum business. Appointments are governed by the Auckland War Memorial Museum Act 1996 with five members appointed by the Auckland Council and four by the Auckland Museum Institute and one by the Taumata-a-Iwi (a committee which assists the Board concerning Māori values). Appointments are for a two-year term with half the members retiring each year. Retiring members are eligible for re-appointment.

In accordance with the Act, the Trust Board appoints the Museum Director (Chief Executive) who has responsibilities set out in the legislation. The Museum Director may be appointed for a term of not more than five years and is eligible for re-appointment.

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## **Principle 3** Board Committees

The Trust Board has established Board Committees to support its governance work and enhance its effectiveness through efficient use of Board members' individual skills. The Committees have roles defined by their Terms of Reference and make recommendations to the Trust Board. They are:

- A. Planning Committee**
- B. Audit and Risk Committee**
- C. Executive Committee**
- D. Capital Projects Committee**
- E. Development Committee**
- F. Investment Committee.**

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## Principle 4

### Reporting and Disclosure

The Trust Board prepares and publishes a Draft Annual Plan in advance of each financial year and invites submissions on the Plan and its financial forecasts. The Annual Plan and anticipated contribution by Auckland Council for Museum funding for the financial year commencing 1 July annually is required to be approved by Auckland Council. Shortly after the end of each 30 June financial year, the Trust Board publishes its Annual Report. Included in this are full financial statements for the year and a statement of service performance. Together these enable the actual results and outputs for the year to be compared with those measures included in the Annual Plan. The annual plans and annual reports are distributed widely and are available from the Museum website.

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## Principle 5

### Remuneration

The Trust Board members' remuneration information is approved by the Auckland Council and is published in the Annual Plan (per member) and in the Annual Report as part of the aggregated amount for key personnel.

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## Principle 6

### Risk Management

The Trust Board and Museum through the work of the Audit and Risk Committee have introduced and implemented a Risk Management Policy and Risk Management Register for identifying and reporting material business and environmental risks to the Board. This programme is undergoing internal trials and is subject to continuous improvement.

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## Principle 7

### Auditors

The Trust Board through the work of the Audit and Risk Committee oversee the independent external audit process. The audit process is undertaken by Deloitte who report on both the financial statements and the statement of service performance included in the Annual Report.

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## Principle 8

### Stakeholder Relations

The Trust Board fosters constructive relationships with stakeholders including the Auckland Council, the Regional Facilities Auckland, Auckland Museum Institute, the Taumata-a-Iwi, the RSA and the Museum Circle. It has actively encouraged the engagement of the whole community with the Museum on all levels of activities ranging from the formal Annual Plan process to public meetings over the proposed renewal of Museum galleries.

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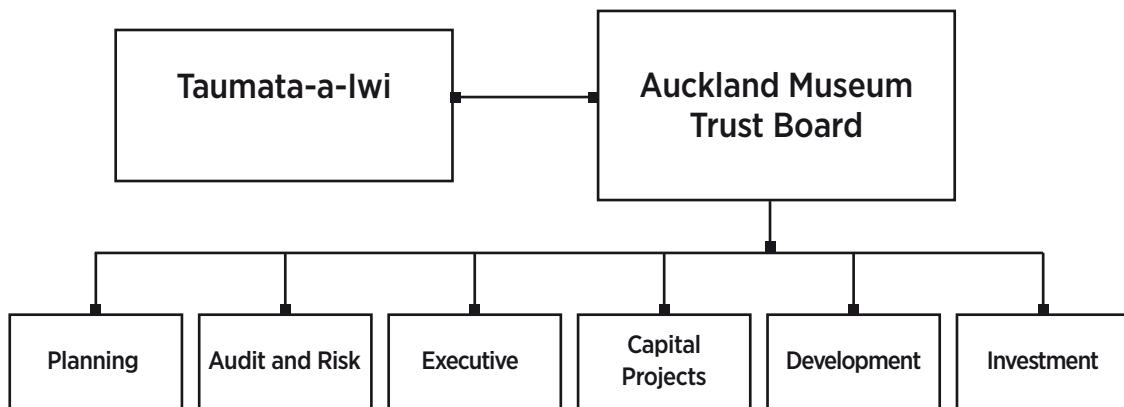
## Principle 9

### Stakeholder Interests

The Trust Board respects the interests of all Museums' stakeholders and is committed to the needs and expectations of its visitors and communities of Auckland. The Museum recognises the role of the communities in enhancing exhibitions, care and understanding of the collections, taonga and the War Memorial.

# Board Committees and Terms of Reference

The Auckland Museum Trust Board has established a number of committees to help it carry out its statutory duties and functions.



## Planning Committee

This Committee supports and assists the Trust Board to establish the Annual Plan for the future direction of the Museum, its budgets and the setting of an annual levy paid by the contributing authority. The contents of the Annual Plan are defined by the Auckland War Memorial Museum Act 1996. The Committee is chaired by Carol Gernhoefer and membership is drawn from the Trust Board.

## Audit and Risk Committee

This Committee reviews the disclosure and contents of the annual financial statements and statement of performance presented in the Annual Report, oversees the audit functions and monitors the Museum's assessment of organisational, business and legal risks and the systems and internal controls instituted to eliminate or to detect irregularities and exposures. The Committee is chaired by Carol Gernhoefer and membership is drawn from the Trust Board.

## Executive Committee

This Committee assists the Board to ensure an effective and positive relationship between the Trust Board and the Director of the Museum is maintained and developed. The Committee is chaired by Dr Margaret Horsburgh and membership is drawn from the Trust Board.

## Capital Projects Committee

This Committee oversees processes for capital projects, exhibitions and programmes developed within the Museum, and reviews the funding, budgets and resources of projects requiring capital input. The Committee is chaired by John McIntyre and membership is drawn from the Trust Board.

## Development Committee

This Committee is established to provide advice, assistance and support for the development of greater financial self-sufficiency through significant fundraising activities. The Committee is chaired by Paul Brewer and membership is drawn from the Trust Board.

## Investment Committee

This Committee is established to provide effective advice and support for the investment and prudent management of the Museum's special purpose funds. The Committee is chaired by Peter Hays and membership is drawn from the Trust Board, supplemented by external members with investment experience.

# Taumata-a-Iwi



On display at the Museum, these three 'pou' represent the close relationship between Ngāti Whatua, Tainui and Ngāti Paoa who collectively comprise the Taumata-a-Iwi.

The Taumata-ā-Iwi is the Museum's legislated Māori advisory committee, established by the Auckland War Memorial Museum Act 1996. Its function is to provide advice to the Auckland Museum Trust Board on the protocols of the Museum, facilitating its relations with iwi throughout New Zealand and Te Kōrahi Māori, the Māori dimension of the Museum.

Membership on the Taumata-a-Iwi is based on the principle of mana whenua and Ngati Whatua were initially approached. Ngati Whatua chose not to fulfil their manaakitanga role alone and called on the alliances established with their two nearest tribal neighbours over 200 years ago, Waikato and Ngati Paoa. The present members are Martin Mariassouce, Grant Hawke and Bernard Makoare (representing Ngati Whatua), Te Warena Taua (representing Waikato) and Pita Turei (representing Ngati Paoa). As well as their iwi responsibilities, each representative also brings their individual expertise and experience within their respective fields to the Taumata-ā-Iwi and the Museum.

# Executive Team



From left: Roy Clare, Russell Briggs, Les Fleming, Kae Kinnell, Megan McSweeney,

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## Roy Clare CBE Director

Roy Clare took up his appointment in August 2011 after leadership roles in the UK museum sector, including seven years as Director of the National Maritime Museum in Greenwich. Previously an admiral in the Royal Navy, Roy Clare was awarded the CBE in June 2007 for his services to museums.

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## Russell Briggs Director War Memorial and Commemoration

Russell Briggs has a 20-year background working in creative direction, engagement strategy and new media with a variety of large and small organisations. Russell is responsible for programming relating to the War Memorial and Cenotaph and management of visitor services.

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## Les Fleming Director Corporate Services and Chief Financial Officer

A chartered accountant with more than 30 years' experience in the financial, manufacturing and operations sector, Les joined Auckland Museum in 2005. Les is responsible for operational strategy, building operations, health and safety, security, financial compliance and reporting.

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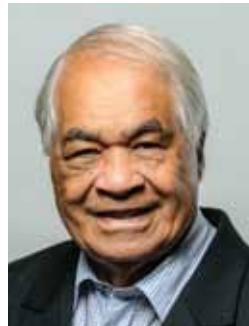
## Kae Kinnell Director Commercial

With varied commercial experience in a number of sectors including financial markets, Kae successfully managed the Museum's large volunteer workforce for a number of years before becoming responsible for commercial activity. Kae retired in May 2012.

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## Megan McSweeney Director Marketing and Communications

With senior executive experience in major New Zealand companies including SkyCity Entertainment Group, Megan has expertise in marketing, tourism, brand, customer experience and strategic communications. Megan is responsible for strategic planning, marketing and communications, sponsorship and visitor research. She also has responsibility for income generation, and the tourism and commercial events portfolio.



From left: Sally Manuireva, Karen Mason, Rose Powell, David Reeves, Haare Williams

### **Sally Manuireva**

Director Public Programmes and Capital Projects

Sally joined Auckland Museum in September 2011 after a 15-year career in the UK museum and art gallery sector, most recently as Director of Public Programmes at National Museums Scotland. Sally is responsible for the creation and implementation of a 20-year development plan for the Museum, and all exhibitions, learning, events, programming and outreach.

### **Rose Powell**

Director Human Resources

Rose's career spans the tertiary education, print manufacturing, media, banking and wine industries. She recently completed an MBA in international business and management at AUT University.

Rose is responsible for all aspects of human resources activity including staff recruitment, retention and development, employment brand and wellness.

### **Haare Williams**

Pae Arahi (Director of Maori Partnerships)

Of Te Aitanga-a-Mahaki, Rongowhakaata and Tuhoe tribes, Haare has been a highly respected independent consultant in the Maori aspects of education, health, business, art and the media. Haare is responsible for the Museum's wide range of Maori relationships and nurturing the bicultural understanding of staff.

### **Karen Mason**

Director ICT and Digital Media

Karen's career includes 11 years in the ICT industry and several exhibition and creative roles at Te Papa Tongarewa. Karen is responsible for upgrading the Museum's ICT technical infrastructure and implementing a digital channel strategy. The strategy will increase access to collections, research and public programmes via channels such as the web, smart devices, social media and gallery interactives.

### **David Reeves**

Director Collections and Research

David joined the Museum in January 2011 after holding a senior position at the Alexander Turnbull Library, and 15 years' experience in collection management positions at the Auckland Art Gallery and Te Papa. David is responsible for leading the development, management and care of the Museum's Human History, Natural Science and Library collections as well as supporting and delivering the related research and public enquiry activities.

Full profiles are available at [aucklandmuseum.com](http://aucklandmuseum.com)

# Our Partners

# Auckland Museum Institute

**The Auckland Museum Institute is a learned society and membership body established under the Auckland War Memorial Museum Act 1996. The Institute Council makes four appointments to the Trust Board.**

## President

Rae Nield

## Councillors

Dr Roger Lins (Vice President)

Roger McElroy

Dr Anthony Bellve

Dr Jessica Costa

Marguerite Durling

Dr Jennifer Hand

Jim Frater

Margaret Malcolm

Ross Sharp

Linda Tyler

Janet Xuccoa

## Executive Officers

Andrea Webley (Marketing & Communications)

Greta Bachmann-Fuller (Membership Administrator)

## From the President

2011/2012 has seen a continuation of the high-calibre speakers and events provided by Auckland Museum Institute. Working closely with partners like the Allan Wilson Centre, the Centre for Brain Research and the Royal Society of New Zealand, the Institute has provided members and the general public with local and international speakers at the top of their field. In an example of these enhanced partnerships, Professor Chris Stringer from the Natural History Museum, London enthralled an audience of over 600 in the Museum Events Centre in February 2012 with his lecture on human origins.

Field trips have been a great source of member interaction and learning. Two very successful tours of the Stewart Lava Caves retraced the steps of James Stewart who surveyed the caves back in 1869 reporting his findings to the Institute of that day. Taking part in behind-the-scenes tours of the Museum is always a special privilege for our members, as they see hidden aspects of the Museum's collection and watch conservators restore artefacts.

The Institute has supported the Museum with donations from its Archey Visiting Scholar Fund, bringing experts from around the world to help with research and cataloguing, and imparting knowledge about the collections with a truly global perspective.

A diverse programme of events made for a very successful year. More than 35 events were held, comprising seven Cafe Scientifiques, five Royal Society of New Zealand lectures and other events such as field trips, floor talks and exhibition previews.

The Institute is pleased to carry out its statutory functions and to support the Museum through its involvement with the annual planning process and with Trust Board appointments.

**Rae Nield**

# Auckland Museum Circle Foundation

**The Museum Circle is an independent charitable trust founded in 2001 with the specific aim of supporting Auckland Museum. In the past 11 years the Museum Circle has successfully carried out two major capital raising campaigns for the Museum – Names in Stone and With a View to the Future – raising more than \$4 million.**

## Chairman

Chris Devereaux

## Trustees

David Nicoll

Sir James Wallace

Peter Webb (resigned during the year)

Andrew Smith (also Treasurer)

## Committee

Tim Hannah

Alister M Martin

Andrew Melville

Jane Williams

## Executive Officers

Deirdre McOnie

Christine Granger

## From the Chairman

Membership has continued to grow, which is very pleasing, with Circle members generously supporting the 2011/2012 activities. Over 2011 and 2012, approximately \$90,000 has been gifted to the Museum through Museum Circle donations. A cocktail party in July, 2011 – which included a private viewing of AQUA – was well attended, as were the two conservation afternoons for Circle members, hosted by the Museum Conservation staff in September and October, 2011.

The Museum Circle AGM was held in the Museum Auditorium on the 4<sup>th</sup> of October, 2011 and at this meeting, the Circle voted to direct its annual \$10,000 acquisitions gift to the Museum towards the purchase of rare photographs from Sir Edmund Hillary's 1953 Everest expedition. These photographs are now on display at the Museum. The meeting was also informed by the curators of the possibility that the important *mere* pounamu associated with Hongi Hika and given to Samuel Marsden's daughter, Mary, in 1830 could be acquired; and the Circle was asked to consider assisting with its purchase.

The purchase of the *mere* was a major Circle initiative in 2012, the entire purchase price being met by the subscription of 12 members.

The Museum Circle also donated \$1,000 to the Museum Library for the purchase of documents and papers from the Pycroft collection. Members were able to see these items at a Circle 'behind-the-scenes' Museum Library tour and they were also on display at the Circle's 2012 High Tea. The 2012 Circle High Tea was held in the Events Centre on Sunday 1 April with 280 guests present. Roger Hall, the well-known New Zealand playwright, was the guest speaker. All of the 2011 and 2012 Circle gifts to the Museum were available for attendees to view, and Museum staff were thanked for making that possible.

The Museum Circle is funding the visit of Dava Sobel to Auckland in November, 2012. Ms Sobel will be the guest of honour at the Museum Circle Patrons' Dinner and will also deliver the Hillary Lecture.

**Chris Devereaux**

# Funders, Sponsors and Partners

## Funders

Auckland Council  
Regional Facilities Auckland



## Principal Partners

Auckland Museum Institute  
Auckland Museum Circle Foundation



## Sponsors

Stevenson Group  
The Radio Network  
ECC Lighting & Furniture



## Exhibition Partners

**AQUA**  
SKYCITY Community Trust  
NZ Bus

**The Poisoners**  
NZ Bus

**CAMERA Season of Photography**  
New Zealand Geographic Magazine  
NZ Bus



## Programme Funders

**I Am Making Movies**  
Sony New Zealand  
South Seas Film & Television School

**Tamaki Paenga Hira**  
Maori Television

**School Programmes**  
Ministry of Education LEOTC Fund  
(Learning Experiences Outside The Classroom)

**Urbanlife**  
SkyCity Community Trust  
Auckland Council

**Matariki Celebrations**  
Auckland Council Matariki Festival

## Research Funders

**NZ Lottery Environment & Heritage**  
(grant 274716 to incorporate 16,000 bryophyte and lichen herbarium specimens)

**NZ Lottery Environment & Heritage**  
(grant 284872 towards the revision and upgrade of the Museum's marine collections database)

**Royal Society of New Zealand Marsden Fund** (grant UOA0514 to Drs M.E. Hauber, City University of New York, New York City, and B.J. Gill)

**National Geographic Society**  
(grant to M.E. Hauber)

**Bequest of the late Mrs Dora Blackie**  
to Auckland Museum (to B.J. Gill)

# Our Performance

# Statement of Service Performance

## Strategy One –

### A Strong Sustainable Foundation

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
1. Collection management activities and outputs aligned to the published <i>Collection Management Plan</i> .	1.1 Collections inventory verification: 90% complete.	80% of the collections inventory verification for collection storage rooms and galleries were completed.	Measured by completion of the human history collections verification programme. (Number of store rooms and galleries verified as a percentage of total number of store rooms and galleries)
	1.2 Collections security: Post-audit implementation plan, funding and milestones approved by Trust Board.	The Plan has yet to go to the Trust Board. <sup>1</sup>	Report to Trust Board, post-audit implementation plan, funding and milestones approved by the Trust Board.
	1.3 Internal relocation and re-housing of collections: <i>Collection Management Plan</i> targets met.	The Museum completed 80% of the internal relocation and rehousing plans for collections.	Measured by completion of project deadlines.
	1.4 Offsite storage plan for wet collections: Business case approved by Trust Board and funding in place.	The Trust Board did not require a separate report while discussions continue <sup>2</sup> .	Report to Trust Board.

#### Performance Information

The Museum developed and completed a number of additional initiatives aligned to the *Collection Management Plan* not contemplated by the 2011/2012 Annual Plan. These included:

#### Collection Management Activities

**1.1** Shortages of specialist collection staff prevented 90% of the inventory verification being reached. In accordance with the *Collection Management Plan*, a number of other important initiatives, not contemplated by the 2011/2012 Annual Plan, were given priority and completed. These included a review of the care and conservation of collections, a comprehensive pest management plan and a restructure of the collections team to realign expertise strengths with collections and upcoming development of the galleries.

**1.2** A collections security audit and analysis was completed. Procedures to tighten access to collections storage were introduced. From the existing collections budget, a rolling programme of implementation continues.

**1.3** The remaining 20% of projects are no longer considered priorities or merged into other projects. Fresh projects included the relocation of the Museum's extensive collection of Tapa and Bark cloth. This labour-intensive project involved conservation, cataloguing and inventory verification. Each cloth was rolled in tissue paper and sealed in Tyvek®. The entire collection was rehoused in environmentally controlled storage, preserving it for future generations of visitors and researchers.

**1.4** A scoping exercise for offsite storage of the Museum's wet collections was completed. Further work was subsumed into an ongoing Regional Facilities Auckland (RFA) led project exploring shared collection opportunities between several Auckland cultural institutions.

1. The Security Audit recommended minor operational changes in collections security that have been implemented.  
2. The Plan was overtaken by the Regional Facilities Authority (RFA) led project for shared museums' collection space.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
2. Auckland War Memorial Museum <i>Conservation Plan and Heritage Maintenance Plan</i> implementation of proactive replacement and deferred maintenance.	2.1 Refurbishment of exterior timber doors.	With the <i>Future Museum</i> master plan imminent, refurbishment of the Museum's exterior heritage timber doors was deferred. Routine preservation and care was maintained.	Measured by completion of the contract.
	2.2 Replacement of copper flashing on parapet.	A contract was signed to replace copper flashings on the upper parapets of the Museum, in order to conserve and protect the outer fabric of the building. Work started in June due for completion in October 2012.	Measured by completion of the contract.
	2.3 Clearstory windows inflorescence and rust project.	A major repair, rust proofing and repainting project on the southern crescent clearstory external windows was completed within budget, to quality and on time. Other clearstory windows are scheduled for completion later in 2012 calendar year.	Measured by completion of the contracts.
3. Environmental sustainability undertaken in a comprehensive way, with external measurement.	3.1 The Museum's environmental footprint is subject to an annual independent review by an internationally recognised certification provider.	An annual certification by CEMARS was completed on 10 May 2012.	Annual certification in accordance with CEMARS certification by Landcare Research.

### Performance Information

The Museum developed and completed a number of additional initiatives aligned to environmental sustainability not contemplated by the 2011/2012 Annual Plan. These included:

#### Environmental Sustainability

3.1 The Museum became the first museum in the world accredited under Certified Emissions Measurement and Reduction Scheme (CEMARS) in 2010. This independent and annual review provides a benchmark to measure future energy savings.

In 2011, the Museum reduced its carbon footprint by 12.1%. Carbon emission savings of 234 tonnes were achieved - equivalent to the consumption of a 2 litre car on a 1 million kilometre journey.

In the first six months of 2012, investment in improved monitoring equipment was largely responsible for further substantial energy usage reductions. Natural gas consumption fell by 40% and electricity by 15% in comparison to the same period in 2011, putting the Museum on track to reduce its annual \$1 m energy bill by \$200,000.

A re-cycling programme in conjunction with a local contractor was introduced.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<p><b>4. Collection Development Plan and Research Strategy</b> developed and published to international museological standards.</p>	<p><b>4.1 Collection Development Plan</b> documented, peer reviewed and approved by Trust Board, Dec 2011.</p>	<p>The <i>Collection Development Plan</i> for the next five years was prepared and approved by the Trust Board in June 2012 following pre approval of an interim framework document in April 2012.</p>	<p>Report to Trust Board.</p>
	<p><b>4.2 Research Strategy</b> documented, peer reviewed and approved by Trust Board, Dec 2011.</p>	<p>The Museum's <i>Research Strategy</i> on themes and priorities for 2012 and the next five years was prepared, peer-reviewed by academics and approved by the Trust Board in December 2011.</p>	<p>Report to Trust Board.</p>
	<p><b>4.3 Digital Collection Strategy</b> documented, peer reviewed and approved by the Trust Board, Dec 2011.</p>	<p>The Strategy, with the Trust Board approval, was deferred to be subsumed into the <i>Future Museum</i> master plan. The Trust Board did not require a separate report.</p>	<p>Report to Trust Board.</p>

### Performance Information

The Museum developed and completed a number of additional initiatives aligned to the *Collection Development Plan* and *Research Strategy Plan* not contemplated by the 2011/2012 Annual Plan. These included:

#### Collection Development Plan and Research Strategy

**4.1** The strategy builds on collection strengths and expertise of curatorial staff. Three new curators (marine, archaeology and applied arts and design) were appointed. At a February 2012 function held to present four prestigious Museum Medals, the *Research Strategy* and the establishment of a Research Centre was announced. The Centre will boost scholarship and external partnerships. 350 people attended the event.

**4.2** The *Digital Collection Strategy* for collections was subsumed into the larger Museum-wide digital strategy as part of the Future Museum master plan goals for onsite, offsite and online audience engagement.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<b>5. Maori Partnership Strategy</b> reviewed and integrated into Museum vision, programmes and operations.	<b>5.1</b> <i>Maori Partnership Strategy</i> reviewed in consultation with key Maori stakeholders and approved by the Taumata-a-Iwi and Trust Board.	Pending the appointment of Tumuaki, the final strategy document has yet to go to the Trust Board. <sup>3</sup>	Reports to Trust Board and joint meetings with Taumata-a-Iwi twice a year.
	<b>5.2</b> 50% of provenanced ancestral remains returned and plan for resolution of unprovenanced remains completed and approved.	The sad and sudden death of the project leader meant the return of 50% of provenanced ancestral remains was not attained.	Measure counts 'lots' (i.e. transactions or groups). Proportion is expressed as a percentage of 371 identified "lots" for : <ul style="list-style-type: none"> <li>● Human remains deaccessioned</li> <li>● Human remains returned</li> <li>● Unprovenanced human remains</li> </ul>

3. The formation of a *Maori Partnership Strategy* was delayed pending the key appointment of the Tumuaki to take the lead.

#### Performance Information

The Museum developed and completed a number of additional initiatives aligned to the *Maori Partnership Strategy* not contemplated by the 2011/2012 Annual Plan. These included:

#### Maori Partnership

**5.1** As part of the *Maori Partnership Strategy*, the following initiatives were implemented:

- Biannual joint meetings of the Trust Board and Taumata-a-Iwi were introduced and formal consultation with the Taumata-a-Iwi on all Museum business was undertaken.
- To enable Iwi to reconnect with taonga and generally increase access to Museum collection items, a number of historically significant taonga were lent to cultural institutions around New Zealand. These included Rotorua Museum, Te Ahu Heritage Centre Kaitaia, Tairawhiti Museum in Gisborne, Auckland Art Gallery, Te Papa and City Gallery Wellington.
- The guiding principles of mana whenua, kaitiakitanga and manaakitanga were affirmed and embedded in Museum policies, processes and behaviours.
- The bicultural foundation of the Museum was strengthened.
- A new senior position of Tumuaki was created and the successful candidate appointed in June 2012, beginning work in July 2012.

**5.2** The programme of work to deaccession all ancestral remains from the Museum collections was completed to its formal stages. A refreshed programme of Iwi consultation about returning remains to ancestral people and lands within acceptable time scales and with agreed processes will be led by the new Tumuaki.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<b>6. War Memorial Programme</b> to accompany key commemorative dates in 2011/2012. Planning done for significant commemorations in 2014 and 2015.	<b>6.1</b> At least two activities associated with key War Memorial dates including: <ul style="list-style-type: none"> <li>• Armistice Day 2011: 11 November 2011.</li> <li>• ANZAC Day 2011: 25 April 2012.</li> </ul>	Two activities were held on Armistice Day and ANZAC Day.	Reports to Trust Board.
	<b>6.2</b> Board approves strategic plan for 2014 and 2015 commemorations by June 2012.	The strategic plan for 2014 and 2015 commemorations was deferred to be subsumed into the <i>Future Museum</i> master plan programmes.	Reports to Trust Board.

### Performance Information

The Museum developed and completed a number of additional initiatives aligned to the War Memorial Programme not contemplated by the 2011/2012 Annual Plan. These included:

#### War Memorial Programme

**6.1** Over 500 people attended the Armistice Day 2011 ceremony at the Museum on 11 November.

In the lead up to ANZAC Day, film footage was projected nightly on the north face of the Museum for an extended period due to public popularity. Groups gathered to watch the moving footage in silence. ANZAC Day 2012 commemorations in the Domain were attended by more than 24,000 people.

The ANZAC address for Maori Television was filmed for broadcast from the Museum.

ANZAC Day Programmes linked to veterans included lectures, tours, musical performances and family activities. More than 6,600 visited the Museum on ANZAC Day.

**6.2** A Director of Commemoration was appointed and 2014 and 2015 commemoration planning was subsumed within the *Future Museum* master plan and its overall programmes. The Museum continues to work with an external First World War Commemoration Steering Committee which includes representatives from museums and Government organisations.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<p><b>7. Workplace Value and Culture Development</b> programme developed, in consultation with staff and volunteers, aligned to Auckland Museum vision and incorporating Te Korahi Maori.</p>	<p><b>7.1</b> Organisational values developed with staff and formally adopted by Dec 2011.</p>	<p>Organisational values were developed with staff, launched in January 2012 then embedded in the performance review process. Values were reinforced at staff workshops in March 2012.</p>	<p>Measured by completion of programmes.</p>
	<p><b>7.2</b> Workplace culture development programme commenced and at least one review against staff satisfaction baseline completed.</p>	<p>A workplace culture development programme began and staff satisfaction was reviewed against a baseline survey, completed in September 2011 with encouraging results.</p>	<p>Measured by completion of staff survey.</p>
	<p><b>7.3</b> By June 2012, survey volunteers to establish baseline measure of engagement and satisfaction.</p>	<p>A May 2012 survey of 240 active Museum volunteers established a baseline measure of engagement and satisfaction.</p> <p>The survey of Museum volunteers achieved an 85% participation rate and revealed 'good and excellent' levels of satisfaction and commitment.</p>	<p>Measured by completion of survey of volunteers.</p>
	<p><b>7.4</b> By June 2012, Director receives report with recommendations detailing how the Museum will implement best practice volunteer management learning from two organisations.</p>	<p>In March 2012, an internal report was completed on volunteer management best practice at a number of organisations including some outside the cultural sector. This led to the Museum participating in the national code of volunteer management best practice pilot.</p>	<p>Measured by completion of report.</p>

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<p><b>8. Commercial Events</b> Business delivers reputational and financial benefits to the Auckland Museum.</p> <ul style="list-style-type: none"> <li>• Venue hire.</li> <li>• Preferred supplier partnerships.</li> <li>• Value-added services.</li> </ul>	<p><b>8.1</b> Operating Surplus for Commercial Events: \$790,000 (up from surplus \$629,890 in 2010/2011).</p>	<p>The commercial events business delivered an operating surplus of \$309,709 reflecting the challenging external economic environment and reduced demand due to the Rugby World Cup.</p>	<p>Measured by monthly visitor and commercial report to Trust Board.</p>
	<p><b>8.2</b> Overall client satisfaction rating, measured by returned surveys: 95%.</p>	<p>Overall client satisfaction rating was high, with 97% of those surveyed rating the visit to the Museum as 'excellent and good'. 99% of visitors surveyed said they would recommend the Museum to others.</p>	<p>Measured by Quarterly Visitor Profile Survey. 'excellent' and 'good' responses to survey are counted as satisfied.</p>
<p><b>9. Tourism Offering</b> delivers an excellent visitor experience and financial benefits to the Museum.</p> <ul style="list-style-type: none"> <li>• Cultural performance and tour.</li> <li>• Museum highlights tour.</li> </ul>	<p><b>9.1</b> International visitor numbers: 13% increase over 2010/2011.</p>	<p>International tourism has dropped by 4.2% on 2010/2011, unsurprising given the external operating environment.</p>	<p>Measured by the number of international visitors reported via monthly visitor and commercial report to Trust Board.</p>
	<p><b>9.2</b> Tourism visitor yield: \$12.80<sup>4</sup> (up from \$10.10 in 2010/2011).</p>	<p>The tourism visitor yield increased to \$21.02.<sup>5</sup></p>	<p>Measured by monthly visitor and commercial report to Trust Board.</p>
<p><b>10. Retail and Other Commercial Offerings</b> deliver reputational and financial benefits to the Museum.</p> <ul style="list-style-type: none"> <li>• Retail stores.</li> <li>• Columbus Café.</li> <li>• Museum carpark.</li> </ul>	<p><b>10.1</b> Retail Operating Surplus: \$275,000 (up from surplus \$141,831 in 2010/2011).</p>	<p>Retail Operating Surplus was \$176,105, an increase of 24% over the previous financial year.</p>	<p>Measured by commercial surplus and revenue reported via monthly visitor and commercial report to Trust Board.</p>
	<p><b>10.2</b> Retail Revenue: 10% increase on 2010/2011, subject to total Museum adult visitor numbers.</p>	<p>Retail Revenue was \$1,336,056 a decrease of 7% over the previous financial year. This is consistent with the decrease in adult visitor numbers.</p>	

4. This figure should have read: \$19.75

5. For non Auckland adult visitors: the combined general admission donation, tour group and cultural performance revenue per visitor.

### Performance Information

The Museum developed and completed a number of additional commercial initiatives not contemplated by the 2011/2012 Annual Plan. These included:

#### Tourism

**9.1** International tourism numbers represented 43% of total visitation. Despite this, the tourism market contributed significantly to revenues, contributing 75% of retail revenue and 81% of public revenue. Our tourism strategy for 2013/2014 will recommend a number of actions to maintain international tourism visitation.

**9.2** Domestic tourists (not Auckland resident visitors) were down 23% on last year. In 2011 domestic tourists made up 8.8% of our total adults – this year 6.4%. This is indicative of national trends as New Zealand's domestic tourism market has not grown in terms of either volume or real value since 2004.

Tour group visitation dropped – as it has in recent years with more people changing to become 'free independent travellers'. This figure seems to have settled to about 26,000 to 29,000 visitors per annum. Despite this, this segment delivered a 30% increase in revenue and a 61% increase in yield.

The total number of adult visitors was 849,409 slightly short of the target of 850,000.

Cultural performances performed solidly with a 20% increase in visitation and a 3% increase in revenue.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<b>11. Revitalised Sponsorship and Fundraising Programme.</b>	<b>11.1</b> Existing sponsorship relationships retained and agreed performance targets met.	Existing relationships with sponsors were retained. Performance targets were met.	Measured by signed agreement for extended sponsorship relationship.
	<b>11.2</b> Two new significant, medium-long term relationships established. Sponsorship may take the form of either cash funds or a material in-kind benefit to the Museum.	The Museum secured one new significant (over \$10,000) medium-term relationship for external lighting.	Measured by two signed agreements for new sponsorship that has a term of two years or longer and valued over \$10,000.
		Another short-term significant sponsorship was secured for outreach projects with low decile schools.	

### Performance Information

The Museum developed and completed a number of additional sponsorship initiatives not contemplated by the 2011/2012 Annual Plan. These included:

#### Sponsorship

**11.1** The Museum extended a sponsorship agreement with an existing sponsor for two years.

The Museum has moved to long-term proactive planning to better match the sponsorship decision timeframes of corporate organisations.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<b>12. Auckland War Memorial Museum Foundation Strategy</b> established.	<b>12.1</b> Evaluation of appropriate models completed.	Evaluation of appropriate charitable foundation models was completed.	Development Committee Minutes and Trust Board Minutes.
	<b>12.2</b> The Trust Board approves the milestones, outputs and funding proposed in the <i>Foundation Strategy</i> .	The milestones, outputs and funding proposed in the <i>Foundation Strategy</i> has yet to go to the Trust Board. <sup>6</sup>	Measured by the approval of <i>Foundation Strategy</i> by the Trust Board.

### Performance Information

#### Foundation

**12.1** During 2011, the Museum led by the Trust Board's Development Committee, in collaboration with key stakeholders, explored several models for the establishment of a charitable foundation to aid the Museum. For a variety of reasons, a decision was taken not to proceed with the establishment of a foundation at this time. Museum initiatives to increase self-generated income included the appointment of a sponsorship and fundraising executive.

**6.** The Development Committee of the Trust Board deferred the establishment of a foundation in 2011/2012 due to economic conditions. The Trust Board continues to explore the establishment of a foundation.

## Strategy Two – A Compelling Destination and Experience

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
13. At all times, enact the concept of manaakitanga (hospitality) and exceptional customer service for Museum visitors, both within the galleries and throughout public and commercial spaces.	13.1 50% 'excellent' rating for overall quality of service, measured by Visitor Profile Survey.	The Museum achieved an average 'excellent' rating of 56% for overall quality of service.	Measured by the number of 'excellent' response to the Quarterly Visitor Profile Survey. Measured by Quarterly Visitor Profile Survey.

### Performance Information

The Museum reported additional customer service levels.

#### Customer Service

13.1 The Visitor Profile Survey attained an encouraging 56% 'excellent' rating for visitors feeling welcome, a 53% 'excellent' rating for the helpfulness of the staff and a 59% 'excellent' rating for the friendliness of Museum staff.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<p><b>14.</b> Two special exhibitions with fully integrated public programmes and events.</p> <ul style="list-style-type: none"> <li>● <i>AQUA – A Journey into the World of Water.</i></li> <li>● One other special exhibition.</li> </ul>	<p><b>14.1</b> Special exhibitions achieve their approved business case performance targets for attendance and visitor satisfaction, on time and within budget.</p>	<p>More than two special exhibitions were held and achieved their approved business case performance targets for attendance, visitor satisfaction, on time and within budget. These special exhibitions include: <i>AQUA, You are Here: Mapping Auckland and Poisoners.</i></p> <p><i>AQUA – A Journey into the World of Water</i> special exhibition with 50,274 visitors achieved 95% of its targeted visitation. 78% of visitors felt the exhibition had a positive impact on water awareness.</p> <p>The special exhibition <i>You are Here: Mapping Auckland</i> told compelling stories about the development of Auckland. 81% of visitors enjoyed the exhibition. 56% of visitors used the interactive component, with 84% enjoying the experience. The exhibition work was delivered on time and within budget. Due to the nature of this free entry special exhibition a business case was not undertaken.</p> <p>The special exhibition <i>Poisoners</i> achieved a total of 26, 889 visits, 46% of its projected 59,000 visitors. Satisfaction with the overall experience was high at 94%. 90% of visitors said the exhibition represented value for money.</p>	<p>Attendance is measured by visitor numbers reported via the Summative Evaluation Reports.</p> <p>Satisfaction is measured by responses collated from Visitor Survey performed at the end of the special exhibition visit.</p> <p>'Excellent' and 'good' responses to survey are counted as satisfied or positive.</p>

### Performance Information

The Museum developed and completed a number of additional initiatives aligned to special exhibitions not contemplated by the 2011/2012 Annual Plan. These included:

#### Special Exhibitions

**14.1** The special exhibition *AQUA – A Journey into the World of Water*. 81% of visitors surveyed enjoyed the *AQUA – 'River Lives'* event series run by nationality groups. The exhibition work was delivered on time and substantially under budget.

The '*AQUA Mobile Trial*' application (a fully integrated programme) achieved 7,185 usages and provided valuable insights into the audience most likely to use this technology. The application was a finalist in the 2012 New Zealand Museums Awards.

During 2011 and early 2012 the Museum designed and planned a photography exhibition to showcase the work of the best of the *International Wildlife Photographer of the Year 2009-2011* and the *New Zealand Geographic Photographer of the Year 2009-2011*. Opened as planned on 22 June 2012, this free exhibition has met with enthusiastic public interest. Methods of attracting public donations in the exhibition gallery are being trialled.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<p><b>15.</b> A vibrant, successful <i>Rugby World Cup Programme</i> of exhibitions, public events and tourism offerings.</p> <ul style="list-style-type: none"> <li>• Maori Rugby Exhibition (proposed).</li> <li>• One other exhibition and/or public programme.</li> </ul>	<p><b>15.1</b> Two new programmes achieve their business case performance targets for visitor satisfaction and attendance.</p>	<p>No Visitor Profile Surveys were undertaken and attendance at these exhibitions and programmes was not specifically counted.</p>	<p>Measured by number of visitors recorded on Reveal System and Visitor Profile Survey for satisfaction.</p>

#### Performance Information

The Museum developed and completed a number of additional initiatives aligned to the Rugby World Cup Programme not contemplated by the 2011/2012 Annual Plan. These included:

#### Rugby World Cup

**15.1** Rugby World Cup programming throughout the museum galleries was free to visitors and both projects were delivered on time and under budget.

The Museum's special exhibition 'Ake Ake Kia Kaha' on Maori rugby was extended due to public demand beyond the end of the Rugby World Cup.

The Museum and illuminated building participated prominently in the internationally televised opening programme of the Rugby World Cup.

In association with the Pasifika Trust and Waitakere Pacific Arts Centre, the Museum hosted Pacific cultural and craft activities in a purpose built Fale in the Pacific gallery for the four weeks of the Rugby World Cup. This was followed by Maori weavers from the greater Tamaki Makaurau region, demonstrating their work and its connection to the taonga on display in Maori Court East.

The Museum hosted the Webb Ellis Cup and thousands viewed it for free in the Event Centre.

The Museum hosted the Wearable Art winner's design in the Atrium.

The Museum Event Centre was opened to the public over Christmas 2011 with family picnic spaces, a children's playground and the expansive views across Auckland enjoyed by around 19,000 people.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<b>16. Family Programme Work Plan</b> to articulate an expansive approach to family programming, promoting cross-generational interaction, curiosity, imaginative thinking and the desire to learn more.	<b>16.1</b> Milestones and outputs approved by Trust Board, August 2011.	A <i>Family Programme Work Plan</i> was deferred to be subsumed into the work of the <i>Future Museum</i> master plan. The Museum remains committed to its family and youth audiences.	Reports to the Trust Board.
	<b>16.2</b> 5% increase in Auckland children visitation from June 2010/2011 baseline result.	Visitation from Auckland children decreased by 1%, due to a decision to prioritise staff involvement at major offsite outreach initiatives in the first six months of 2012.	Measured by the number of children visitors via monthly visitor and commercial report to Trust Board.
	<b>16.3</b> Refreshment plan for Stevenson Children's Discovery Centre approved by Executive by September 2011.	In early 2012, construction work started to revitalise the former Treasures and Tales space in the Stevenson Children's Discovery Centre, following approval of plans in September 2011. The plans were extended to create an adjoining space for family activities and a lunch venue for schools. This work is on target for completion in November 2012.	Measured by the approval of plan by the Museum Director.

### Performance Information

The Museum developed and completed a number of additional initiatives for families not contemplated by the 2011/2012 Annual Plan. These included:

#### Family Programmes

**16.2** The Museum's popular *Halloween: Ancient Origins and Spooky Superstitions* events saw families and children, many in costume, exploring the galleries for two sold-out nights.

The Museum had a presence at the Ngapuhi, Polyfest and Pasifika festivals. Direct engagement with more than 11,500 students was achieved at Polyfest alone.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<b>17. Audience Development Work Plan</b> to address gaps in actual and desired audience profile, as defined in <i>Audience Development Strategy</i> .	<b>17.1</b> The Museum meets the milestones and outputs approved in 2011/2012 by Trust Board.	The Museum's <i>Audience Development Work Plan</i> on the actual and desired audience profile was completed and distributed to senior managers, shaping the preparation of the <i>Future Museum</i> master plan for completion later in 2012. As the Plan was subsumed into the <i>Future Museum</i> master plan, the Trust Board did not require a separate report.	Reports to the Trust Board.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<b>18.</b> <i>Master Plan</i> documented to communicate a fully coordinated Museum Plan of gallery renewals, space utilisation and visitor flow.	18.1 <i>Master Plan</i> delivered to the Trust Board, outlining conceptual design ideas, overall renewal programme budget, and proposed phasing of capital works by August 2011.	The delivery of a <i>Master Plan</i> to guide the future development and renewal of the Museum was delayed a year to accommodate the appointment of the new Director and recruitment of specialised senior staff. In the interim, the Museum undertook a major information gathering exercise involving staff and external stakeholders. Twelve foundation reports provided a comprehensive evaluation of audiences, galleries, collections, use of spaces, exhibition readiness, and visitor way-finding. With key personnel in place, a draft <i>Future Museum</i> master plan is due for delivery in August 2012 and approval in October 2012.	Reports to the Trust Board.
	18.2 <i>Master Plan</i> approved by Trust Board by December 2011.	In early 2012, the Museum started a number of capital projects, including improving the look, sound, feel and comfort of the Atrium for visitors, revitalising commercial spaces and improving way-finding for visitors. These enabling projects were considered essential building blocks for the <i>Future Museum</i> master plan.	Reports to the Trust Board.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
19. Improve clarity about the Museum brand and execute marketing activity in a comprehensive and timely fashion.	19.1 <i>Brand Strategy Plan</i> approved by Trust Board by December 2011.	The Museum's <i>Brand Strategy Plan and Framework</i> was presented to the Trust Board in December 2011. Further work on the visual brand identity was presented to the Trust Board in April 2012 and approved.	Reports to the Trust Board.
	19.2 Marketing and communication campaign plans for all special exhibitions and seasonal events approved by Executive at least three months prior to launch.	Campaign marketing and communication plans and seasonal programmes were developed and approved three months prior to launch of all special exhibitions and seasonal events.	Measured by approval of plans by the Director of Marketing and Communication. Special exhibitions and seasonal events includes: <ul style="list-style-type: none"> <li>● <i>Poisoners</i></li> <li>● <i>International Wildlife Photographer of the Year 2009-2011</i></li> </ul>
	19.3 Visitor Profile Survey: 5% increase in visitors who report seeing, reading or hearing about the Museum online from June 2011 baseline result.	14% of visitors see, read or hear (including e-newsletters) about the Museum online. There was no increase from a July 2011 baseline result of 14%. The average of the last three quarters is holding steady at 14%.	Measured by the number of visitors reported seeing, reading or hearing about the Museum online via the Quarterly Visitor Profile Survey.

## Strategy Three –

### Accessible Beyond the Walls

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<p><b>20.</b> Based upon the Museum's collection strengths <i>Student-centred Learning Programmes</i> will include:</p> <ul style="list-style-type: none"> <li>• Te Ao Hurihuri</li> <li>• Matariki</li> <li>• Tala Pasifika</li> <li>• ANZAC</li> <li>• New Zealand Speciation</li> <li>• Volcanoes.</li> </ul>	<p><b>20.1</b> <i>School Programme Delivery (LEOTC)</i> achieves the following performance targets:</p> <ul style="list-style-type: none"> <li>• Attendance from school visits: 62,000.</li> <li>• Participation in educator-assisted programmes: At least 50% of student visitation.</li> <li>• LEOTC Programmes: Attendance at least 85% of booking capacity.</li> <li>• Teacher satisfaction ratings for educator-assisted programmes: At least 85%.</li> </ul>	<p>Student-centred learning programmes were attended by 56,370 learners on school visits. The number of students who attended the LEOTC programme was 13,443.</p> <p>26% of student visitors took part in educator-assisted programmes.</p> <p>LEOTC programmes achieved 51% of booking capacity, due in part to unfilled staff vacancies and increased focus on programme planning.</p> <p>95% teacher satisfaction ratings for educator-assisted programmes were achieved.</p>	<p>Measured by the number of student visitors attending student-centred learning programmes reported via the monthly visitor and commercial report to Trust Board.</p> <p>Measured by the number of visitors attending the LEOTC programme reported via the programme capacity report.</p> <p>Measured by the number of '4' or '5' ratings from the Teacher Evaluation completed for educator-assisted programmes. Educator-assisted programmes include:</p> <ul style="list-style-type: none"> <li>• Art Introductions/Drawing at the Museum</li> <li>• Archaeology</li> <li>• One-off Sessions</li> <li>• Dinosaurs &amp; Fossils</li> <li>• Human Evolution</li> <li>• NZ Speciation</li> <li>• Te Ao Hurihuri</li> <li>• War</li> <li>• Volcanoes</li> <li>• ANZAC</li> <li>• Matariki</li> <li>• Matariki ECE</li> <li>• Tala Pasifika</li> <li>• Tala Pasifika ECE</li> <li>• Weird &amp; Wonderful (standard self-discovery)</li> <li>• Weird &amp; Wonderful - Entomology</li> <li>• Weird &amp; Wonderful - Giants &amp; Dinosaurs.</li> </ul>

### Performance Information

The Museum developed and completed a number of additional offsite initiatives not contemplated by the 2011/2012 Annual Plan. These included:

#### Beyond the Walls Initiatives

**20.1** Museum staff attended the 2012 Ngapuhi Festival in Kaikohe, Tala Pasifika and Polyfest 2012 festivals as part of the outreach programme. In Kaikohe, the Museum had iwi taonga on display and staff talked with almost 1,000 visitors to the Ngapuhi festival. All interviewed were pleased that the Museum had made a special effort to bring taonga back to Kaikohe. The festivals provided an opportunity to deepen community engagement in advance of the *Identi-tee* exhibition. Many festival-goers shared their favourite t-shirt stories, pictures and became part of the Museum's online database on the cultural history and use of the t-shirts in New Zealand.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<p><b>21.</b> High quality <i>Family and Community-centred Learning Programmes</i>, which encourage participation from adult learners, Maori and Pasifika communities and the tertiary education sector.</p> <ul style="list-style-type: none"> <li>• Tertiary Tourism and Travel Training Courses.</li> <li>• <i>AQUA</i> supporting learning programme.</li> <li>• One other new programme based on Maori or Pasifika collections.</li> </ul>	<p><b>21.1</b> Tertiary Tourism Training course approved for at least one training provider.</p>	<p>The Museum actively engaged several tertiary institutions with a view to establishing Memorandum of Understandings (MoUs) concerning research and other mutually-beneficial areas. Discussions are continuing.</p>	Established MoUs with tertiary institutions.
	<p><b>21.2</b> <i>AQUA</i> and learning programmes achieve business case performance targets for attendance and participant satisfaction.</p>	<p>There was a high uptake of schools visiting the <i>AQUA</i> support learning programme. The total of 9,495 visitors far exceeded the target of 2,121.</p> <p>93% of teachers who had looked at the <i>AQUA</i> support learning programme pack rated positively for quality.</p>	Measured by number of visitors to <i>AQUA</i> support learning programme reported via Evaluation Report.

### Performance Information

#### Tertiary Institution Partnerships

**21.1** The Museum partnered with UNITEC Institute of Technology and AUT University's schools of design, computing, visual communications, urban planning and architecture to deliver *You are Here: Mapping Auckland*.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<p><b>22.</b> <i>Lifelong Learning Strategy</i> aligned to the Museum's brand, vision and audience development strategies</p>	<p><b>22.1</b> <i>Lifelong Learning Strategy</i> documented peer reviewed and approved by Trust Board, August 2011.</p>	<p>In 2011, the Museum embarked on an evaluation of the Museum's role in Lifelong Learning for the next 10 years that culminated in a number of recommendations on the vision and role of the Museum in innovative lifetime learning around Museum content. These recommendations were subsumed into the Future Museum Master Plan and accordingly the Trust Board did not require a separate report.</p>	Reports to the Trust Board.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<b>23. Web and New Media</b> Strategy aligned to the Museum's brand, vision and values. This strategy to include greater use of high quality digital images, videos, audio clips and animations related to our collections.	<b>23.1 Web and New Media</b> Strategy documented, peer reviewed and approved by Trust Board, August 2011.	In 2011, the Museum explored the use of web and new media technologies to inspire connections with audiences, lifelong learning and discovery. Research recommendations were subsumed into the <i>Future Museum</i> master plan. As the Strategy was subsumed into the <i>Future Museum</i> master plan, the Trust Board did not require a separate report.	Reports to the Trust Board.
	<b>23.2</b> At least two new initiatives for content or service delivery through new media applications trialed and evaluated.	The Museum developed several new initiatives for the delivery of content and service, including the <i>AQUA Mobile Trial</i> application and the blog on the Museum's research expedition to the Kermadec Islands.	Measured by the number of initiatives as reported to the Trust Board.

#### Performance Information

The Museum developed and completed a number of additional web and new media initiatives not contemplated by the 2011/2012 Annual Plan. These included:

##### New Media

**23.1** A Digital Channel Strategy is in development for approval by December 2012. The importance of new media and web services to the Museum was reflected in the appointment of a dedicated Director to oversee strategy and build capacity.

**23.2** The Kermadec Expedition Blog won the prestigious Social Media Award at the influential Museums and the Web Conference in San Diego. Award judges said the blog used technology and storytelling to bring marine science research to life for wide audiences.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<b>24.</b> Focus on partnerships in the tourism sector and major museums such as Te Papa, Canterbury and Otago.	<b>24.1</b> By December 2011, Executive approves a formal review of tourism and museum relationships and the plan for the following 12 months.	With the change of leadership at the Museum, a new approach to tourism was adopted by the Executive in response to lower-than-expected arrivals to NZ of international tourists. This activity was subsumed into the <i>Future Museum</i> master plan.	Reports to the Trust Board.

#### Performance Information

The Museum developed and completed a number of additional initiatives not contemplated by the 2011/2012 Annual Plan. These included:

##### Partnerships with other Museums

**24.1** The Museum worked with other major museums during the year on matters such as shared exhibitions, conservation expertise, loans of collection objects, research, expeditions and collection management.

## Strategy Four —

### An Active Participant In Auckland

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<b>25.</b> Regular dialogue and contact with Auckland region stakeholders including Auckland Council, Council Controlled Organisations, Museum Institute, Museum Circle, cultural/arts/tourism and heritage organisations, research institutions and international arts and cultural bodies.	<b>25.1</b> <i>Stakeholder Relations Management Plan</i> created in consultation with key stakeholders and approved by Museum Director by end of December 2011 and performance milestones met by end of June 2012.	The Museum carried out formal research into its relationships with key stakeholders and developed a <i>Stakeholder Relations Management Plan</i> approved by Museum Director and management by the end of December 2011. Most of the plan was overtaken by events and different priorities. Many of the recommendations were subsumed into the <i>Future Museum</i> master plan. A quarterly e-newsletter for stakeholders was launched in April 2012 in response to feedback.	Approval of <i>Stakeholder Relations Management Plan</i> by Museum Director.

#### Performance Information

The Museum maintained contact not contemplated by the 2011/2012 Annual Plan. These included:

#### Active Participant

**25.1** Close and active relationships with stakeholders remain essential to the sustainability of the Museum's vision and strategy in engaging with its audiences and communities nationally and internationally.

Regular dialogue was maintained, at all levels, across regional stakeholders and other cultural/tourism heritage organisations.

2011/2012 ACTIVITIES WHAT WE SAID WE WOULD DO	2011/2012 PERFORMANCE MEASURES & TARGETS	PERFORMANCE STATUS AS AT 30 JUNE 2012 WHAT WE ACHIEVED	BASIS OF MEASUREMENT
<p><b>26.</b> An enhanced programme of community forums and events, aligned to the wider Auckland event calendar.</p>	<p><b>26.1</b> <i>LATE at the Museum, Matariki and Auckland Festival</i><sup>6</sup> will achieve their new approved business case performance targets for:</p> <ul style="list-style-type: none"> <li>● Improved visitor satisfaction in regard to quality and relevance.</li> <li>● Three new partnerships with communities or institutions.</li> </ul>	<p>Five <i>LATE at the Museum</i> events were held in 2011. They were <i>AQUA</i>, <i>Rugby</i>, <i>Earth's Gravest Challenge</i>, <i>Life in Margins</i>. Two <i>LATE</i> events, were held in May and June 2012, focused on the seven deadly sins.</p> <p>No Visitor Profile Surveys were undertaken and attendance at these exhibitions and programmes was not specifically counted for the 2011 calendar year <i>LATE at the Museum</i> season.</p> <p>In 2012, visitor satisfaction rating was high with 81% of <i>LATE at the Museum</i> visitors surveyed rating the event positively. 79% rated it of 'good quality' and 78% indicating they would return. 71% rated enjoyment of the music positively, up 4% in terms of 'excellence', on 2009. Relevance was not specifically surveyed.</p> <p>As part of Matariki, daily activities and programmes, centred on Heritage Maori Food 'Wananga a Kai', were held in the Maori Court in the Museum early in 2012. These included poetry, song and music.</p> <p>The Museum held a Community Consultation Event with several ethnic community groups. Several new partnerships were cemented, including the following three:</p> <ul style="list-style-type: none"> <li>● Chinese New Settler Trust to celebrate Chinese New Year</li> <li>● University of Auckland's National Institute of Creative Arts and Industries - <i>AQUA</i> and <i>LATE</i></li> <li>● Philanthropy NZ - panel discussion March 2012.</li> </ul>	<p>Measured by Quarterly Visitor Profile Survey.</p> <p>Measured by Summative Evaluation Reports.</p> <p>'Excellent' and 'good' responses to survey are counted as satisfied or positive.</p>

6. No Auckland Festival in 2012

### Performance Information

The Museum developed and completed a number of additional programmes with communities not contemplated by the 2011/2012 Annual Plan. These included:

#### Enhanced Community Programmes and Events

**26.1** In June 2012, the Museum held a Winter Lecture series and weekend forums on *Indigenous Sustainability* with keynote speakers focusing on prominent and relevant discussions through the lens of Maori and indigenous intellectual and spiritual thinking.

*River Lives: Stories from the World's Greatest Rivers* public programme series invited different Auckland communities to share their culture and music at the Museum. 81% of visitors enjoyed the event. This was a new programme and there was no comparison data.

The *Summer Nights* public programme series augmented the *The Poisoners* special exhibition with a 'whodunit' theme using costumed characters and focused on history, culture, science and poisons as visitors explored galleries at night. 92% of visitors were families with children. 99% enjoyed the event. 86% of visitors were interested in the poisonous objects at the Museum and 92% enjoyed the interaction with staff. This was a new programme and there was no comparison data.

In 2012, the Museum initiated an innovative onsite and outreach programme *Urbanlife* aimed at rangatahi (youth). A series of workshops were planned, using pictorial collections for inspiration, and established artists to work with young people, aged 15-24. The outputs will be brought back into the Museum through display, programming and activities, and the outcomes will inform how the voice of youth can be embedded across the Museum.

## INDEPENDENT AUDITOR'S REPORT TO THE AUCKLAND MUSEUM TRUST BOARD

### Report on the Audit of the Status of Performance Measures in the Statement of Service Performance

We have been engaged by the Auckland Museum Trust Board to conduct a reasonable assurance engagement relating to the Status of the Performance Measures (included in the Statement of Service Performance) in relation to the Auckland Museum Trust Board for the year ended 30 June 2012.

#### The Auckland Museum's Trust Board's Responsibility

The Auckland Museum Trust Board is responsible for ensuring that the Status of the Performance Measures (included in the Statement of Service Performance) are fairly presented in accordance with the Basis of Measurement (as defined in the Statement of Service Performance) and for such internal controls as the Auckland Museum Trust Board determines is necessary to enable the proper presentation of the Status of the Performance Measures.

#### Auditor's Responsibility

Our responsibility is to express an opinion whether, in our opinion, the Status of the Performance Measures (included in the Statement of Service Performance) are fairly presented, in all material respects, in accordance with the Basis of Measurement (as defined in the Statement of Service Performance). Our engagement has been conducted in accordance with International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE (NZ) 3000"), to provide reasonable assurance that the Status of Performance Measures are fairly presented in accordance with the Basis of Measurement and Status Ratings (as defined in the Statement of Service Performance).

Our procedures consisted primarily of:

- Understanding and analysing the process for the preparation of the Status of Performance Measures;
- Interviewing the individuals responsible for the preparation of the Statement of Service Performance;
- Analysing and validating the information used by management in the preparation of the Status of Performance Measures; and
- Reviewing the Status of Performance Measures against the information obtained from management and the findings of our work.

#### Use of Report

This report is provided solely to the Auckland Museum Trust Board, as a body, in accordance with Section 28 of the Auckland War Memorial Museum Act 1996. Our audit has been undertaken so that we might state to the Auckland Museum Trust Board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Auckland Museum Trust Board, as a body, for our audit work, for this report, or for the opinions we have formed.

#### Inherent Limitations

Because of the inherent limitations of internal control, the use of selective testing, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence, it is possible that fraud, error or non-compliance may occur and not be detected.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we have no relationship with or interests in the Auckland Museum Trust Board.

#### Opinion

This conclusion has been formed on the basis of, and is subject to, the inherent limitations outlined elsewhere in this independent assurance report.

In our opinion, the Status of the Performance Measures (included in the Statement of Service Performance) are fairly presented, in all material respects, in accordance with the Basis of Measurement (as defined in the Statement of Service Performance) for the year ended 30 June 2012.

*Deloitte*

Chartered Accountants  
11 October 2012  
Auckland, New Zealand

This assurance report relates to the Statement of Service Performance in the Annual Report of the Auckland Museum Trust Board for the year ended 30 June 2012 included on The Auckland War Memorial Museum website. The Auckland Museum Trust Board is responsible for the maintenance and integrity of The Auckland War Memorial Museum website. We accept no responsibility for any changes that may have occurred to the Annual Report since it was initially presented on the website. The audit report refers only to the Status of Performance Measures included in the Statement of Service Performance named above. It does not provide an opinion on any other information which may have been hyperlinked to from the Annual report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the Annual report to confirm the information included in the Annual report presented on this website. Legislation in New Zealand governing the preparation and dissemination Annual reports may differ from legislation in other jurisdictions.

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## Contact Information

Auckland War Memorial Museum  
Tāmaki Paenga Hira

[aucklandmuseum.com](http://aucklandmuseum.com)

**Reception email**  
[info@aucklandmuseum.com](mailto:info@aucklandmuseum.com)

**Reception Telephone**  
09 309 0443

**Infoline**  
09 306 7067

**Education Services**  
09 306 7040

**Bookings Office**  
09 306 7048

**Museum Shop**  
09 309 2580

**Venue Hire**  
09 302 9765

**Postal Address**  
Auckland Museum  
Private Bag 92018  
Victoria Street West  
Auckland 1142  
New Zealand

**Physical Location**  
The Auckland Domain  
Parnell, Auckland  
New Zealand

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## How to Stay in Touch

Receive regular **What's On** information about Museum events and follow the Museum on **Facebook** and **Twitter**. Also available are details about **Auckland Museum Institute** membership and the **Auckland Museum Circle Foundation**.

This annual report has been prepared in accordance with section 28 Auckland War Memorial Museum Act 1996.

# Annual Report 2011/2012 Full Financials

TAMAKI PAENGA HIRA  
AUCKLAND WAR MEMORIAL MUSEUM

# Financial Statements

## Statement of compliance

The reporting entity is Auckland Museum Trust Board which is a body corporate established in the Auckland War Memorial Museum Act 1996. Its principal activity is managing, maintaining and developing the Auckland War Memorial Museum. In these financial statements it is referred to as 'the Museum'.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for Public Benefit Entities.

The financial statements were authorised for issue by the Auckland Museum Trust Board on 11 October 2012.

## Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain non-current assets and financial instruments. The methods used to measure fair values are discussed below. The accrual basis of accounting has been applied, as has the going concern assumption.

Components of the financial statements not prepared on the basis of historical cost or deemed cost, are certain financial instruments which are carried at fair value.

The functional and presentation currency is New Zealand Dollars (NZD) rounded to the nearest thousand.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been consistently applied in preparing the financial statements for the year ended 30 June 2012 and the comparative information presented in these financial statements for the year ended 30 June 2011.

## Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

### A. PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses.

Donated assets are initially recorded at fair value and subsequently at that value less accumulated depreciation and accumulated impairment losses.

#### Collections

Collection fixed assets are those artifacts that are of cultural or historical importance. The Museum maintains a physical inventory of all the assets that comprise the collection fixed assets. The residual amount of the collection is considered to be equal to or greater than the carrying value in the financial statements. Their asset lives are indeterminable and the depreciable amount negligible. Depreciation is charged where a decrease in the residual value is identified. The Museum does ensure that the carrying value of the collection assets has not been impaired, that they still

exist physically, have not lost value materially due to their physical deterioration, nor have lost value materially due to the diminution in their market values.

**Other property, plant and equipment**

The depreciable amount of an asset is allocated on a systematic basis over its useful life. The residual value and the useful life of an asset are reviewed at each financial year-end, to ensure the asset's residual value does not exceed its carrying amount, and that the residual value is an amount equal to or greater than the asset's carrying amount.

Depreciation is charged at the following annual rates on a straight-line basis.

**Collections**

Heritage Assets	nil
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**Buildings**

Buildings	1-2%
Building fit outs	5-10%
Office furniture and fittings	5-20%

**Display**

Display galleries	7-33%
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**Equipment**

Equipment	4-20%
Motor vehicles	20%
Information technology	20-33%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimates accounted for on a prospective basis.

**B. INTANGIBLE ASSETS**

Computer software and other design modules are finite life intangible assets and are recorded at cost less accumulated amortisation and impairment losses. They are amortised over 3 years on a straight-line basis.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally generated intangible asset can be recognised, research expenditure is charged as an expense in the period in which it is incurred. Development costs are capitalised in the period in which they are incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

**C. IMPAIRMENT OF ASSETS**

At each reporting date, the Museum reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Museum estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

The Museum applies the public benefit exemption in relation to NZ IAS 36. 'Impairment' that allows value in use to be equal to depreciated replacement cost.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value. In which case the reversal of the impairment loss is treated as a revaluation increase.

#### D. FINANCIAL ASSETS

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments are initially measured at fair value plus transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at their fair value.

Interest, realised gains and losses, and increases and decreases in investment values are recognised through profit or loss. Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

##### Financial assets at fair value through profit or loss

Financial assets in this category are either financial assets held for trading or financial assets designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Museum manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

All derivatives entered into by the Museum are classified as held for trading as the Museum does not apply hedge accounting.

##### Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

#### **Impairment of financial assets**

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. A trade receivable is deemed to be uncollectible upon notification of insolvency of the debtor or upon receipt of similar evidence that the Museum will be unable to collect the trade receivable. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed.

In respect of financial assets carried at amortised cost, with the exception of trade receivables, the impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. Subsequent recoveries of trade receivables previously written off are credited against the allowance account.

#### **E. EMPLOYMENT BENEFITS**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, alternative leave, long-service leave, sick leave and retirement gratuity when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Museum in respect of services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred.

#### **F. FINANCIAL LIABILITIES ISSUED BY THE MUSEUM**

##### **Debt instruments**

Debt instruments are classified as financial liabilities in accordance with the substance of the contractual arrangement. Debt is classified as current unless the Museum has the unconditional right to defer settlement of the debt for at least 12 months after the balance sheet date.

##### **Other financial liabilities**

Other financial liabilities are measured at amortised cost using the effective interest method.

## G. DERIVATIVE FINANCIAL INSTRUMENTS

The Museum enters into forward foreign exchange contracts to manage its exposure to foreign exchange rate risk when purchasing equipment and exhibitions in foreign currencies. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. The Museum has not adopted hedge accounting.

## H. FOREIGN CURRENCY

All foreign currency transactions during the year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair values that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise.

## I. GOODS AND SERVICE TAX

All balances are presented net of Goods and Services Tax (GST), except for receivables and payables which are presented inclusive of GST.

## J. INCOME TAX

The Museum is exempt from payment of income tax as it is treated by the Inland Revenue as a charitable organisation. Accordingly no income tax balances are accounted for.

## K. INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is determined on an average basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

## L. LEASED ASSETS

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### Entity as lessor

Operating lease revenue is recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

### Entity as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern over which economic benefits from the leased asset are consumed.

## M. PAYABLES

Trade payables and other accounts payable are recognised when the Museum becomes obliged to make future payments resulting from the purchase of goods and services.

## N. PROVISIONS

Provisions are recognised when the Museum has a present obligation (legal or constructive) as a result of a past event, the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

## O. REVENUErecognition

### Levies

Levies are received from the Auckland Council. These are recognised as revenue on an accruals basis.

### Donations

Donations are recognised as revenue upon receipt. The fair value of volunteer services is recognised as income and expense when the service is received. Fair value is determined by reference to the expected costs that would be otherwise borne for the services.

### Admissions

Admissions received for special exhibitions and events are recognised as revenue as received.

### Sale of goods

Revenue from the sale of goods is recognised when the Museum has transferred to the buyer the significant risks and rewards of ownership of the goods.

### Rental revenue

Rental revenue in relation to a sub lease for the Museum cafe is recognised in profit or loss on a straight-line basis over the lease term.

### Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established. Interest revenue is recognised using the effective interest rate method.

### Grants

Grant revenue is recognised when the conditions attached to the grant have been complied with. Grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

## P. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Museum's accounting policies, which are described in the notes, the Trust Board is required to make judgements, estimations and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### *i) Fair value of investments – restricted of \$61.393 million*

The estimation in establishing the fair value of investments is undertaken by external independent sources. The Museum relies on New Zealand Asset Management and Milford Asset Management for determination of these fair values.

### *ii) Fair value of collection assets of \$266.721 million and building of \$119.451 million*

The Museum's collection assets comprise all heritage assets of cultural and historical significance including artifacts, art works, manuscripts and library assets. At 1 July 2006 (transition to NZ IFRS) all collection assets that are recognized in the accounts whether purchased or gifted were fair valued as their deemed cost ('cost'). Subsequent to July 2006 collection assets acquired are at cost less any impairment losses if applicable, or at fair value where gifted. Given the nature of such assets, the determination of this fair value in July 2006 involved the use of judgment in selecting an appropriate valuation technique.

The Museum valued the building at deemed cost at the transition to NZ IFRS. This required an assessment of the depreciated replacement cost at 1 July 2006. DTZ New Zealand Ltd MRENZ was commissioned to assess this value. The value of the building presented in note 6 is composed not only of deemed cost on 1 July 2006, but also subsequent additions recorded at cost. The determination of the deemed cost involved the use of judgment in selecting an appropriate valuation technique.

### *iii) Useful lives and residual values of property, plant and equipment of \$18.759 million*

As described in (A), the Trust Board reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

## Q. FUTURE CHANGES TO FINANCIAL REPORTING STANDARDS

The External Reporting Board (XRB) is currently in the process of establishing a new Accounting Standard Framework which includes different tiers of financial reporting for different classes of reporting entities. The proposed Accounting Standards Framework will consist of two sets of accounting standards, one to be applied by for-profit entities and the other to be applied by public benefit entities. In the interim, all new New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and amendments to existing NZ IFRSs approved in and subsequent to June 2011 would be applicable to profit-oriented entities only. This means that the financial reporting requirements for public benefit entities such as the Museum are frozen for the short-term until the new PBE accounting standards are released. Consequently, new or amended NZ IFRS released during the year are not applicable to the Museum and hence no disclosure has been made.

#### **R. NEW OR AMENDED STANDARDS**

The following standard has become effective for the Museum since the previous reporting date:

FRS 44: New Zealand Additional Disclosures prescribes New Zealand specific disclosure requirements which have been relocated from existing NZ IFRS and retained because they are considered important in the New Zealand environment. The disclosure requirements of FRS 44 have been considered and where significant the revised disclosure is included under the relevant note to the financial statements. Associated costs have not been reported.

#### **S. CHANGES IN ACCOUNTING POLICIES**

There are no changes to accounting policies.

**AUCKLAND MUSEUM TRUST BOARD  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2012**

	NOTE	ACTUAL 2012 \$000s	ANNUAL PLAN 2012 \$000s	ACTUAL 2011 \$000s
<b>Revenue</b>				
Auckland Council levy		25,617	25,617	24,330
Interest revenue		498	675	625
Grant revenue		236	262	433
Admissions		1,138	1,425	1,178
Commercial operations		3,280	3,831	3,828
Donations, sponsorship, event and other revenue		1,070	1,556	1,509
Exhibitions		385	1,679	245
<b>Total revenue</b>		<b>32,224</b>	<b>35,045</b>	<b>32,148</b>
<b>Expenses</b>				
Maintenance and management costs	1	31,005	33,416	30,734
Development costs	1	521	690	530
Interest expense		90	149	177
<b>Total expenses</b>		<b>31,616</b>	<b>34,255</b>	<b>31,441</b>
<b>NET SURPLUS FROM OPERATING ACTIVITIES</b>	<b>2</b>	<b>608</b>	<b>790</b>	<b>707</b>
<b>Special Purposes Activities</b>				
<b>Revenue</b>				
Interest revenue		23	-	78
Donations		70	-	71
Heritage assets donated		686	-	102
Change in measurement of investments at fair value		2,910	-	3,148
		<b>3,689</b>	-	<b>3,399</b>
<b>Expenses</b>				
Trusts & Bequests expenditure		462	-	249
		<b>462</b>	-	<b>249</b>
<b>NET SURPLUS FROM SPECIAL PURPOSES</b>				
<b>ACTIVITIES</b>		<b>3,227</b>	-	<b>3,150</b>
<b>Total Surplus</b>		<b>3,835</b>	<b>790</b>	<b>3,857</b>
<b>Other Comprehensive Income</b>		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>3,835</b>	<b>790</b>	<b>3,857</b>
<b>ALLOCATED TO:</b>				
General equity		608	790	707
Special purposes equity		1,041	-	1,762
Asset replacement reserve		2,186	-	1,388
		<b>3,835</b>	<b>790</b>	<b>3,857</b>

The accompanying notes and accounting policies form part of these financial statements.

AUCKLAND MUSEUM TRUST BOARD  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2012

	NOTE	ACTUAL 2012 \$000s	ACTUAL 2011 \$000s
<b>Current assets</b>			
Cash and cash equivalents		372	150
Short-term investments		3,745	4,018
Trade receivables		407	271
Goods and services tax receivable		171	221
Prepayments		630	537
Inventory of finished goods		446	383
		<b>5,771</b>	<b>5,580</b>
<b>Current liabilities</b>			
Trade payables and accruals		2,551	2,395
Employee benefits	5	1,104	929
Interest bearing loan	8	-	1,000
		<b>3,655</b>	<b>4,324</b>
<b>NET CURRENT ASSETS</b>		<b>2,116</b>	<b>1,256</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	405,749	410,135
Investments - restricted	15, 18	61,393	54,710
Intangible assets	7	938	172
		<b>468,080</b>	<b>465,017</b>
<b>Non-current liabilities</b>			
Interest-bearing loan	8	1,000	1,000
Employee benefits	5	419	331
		<b>1,419</b>	<b>1,331</b>
<b>NET ASSETS</b>		<b>468,777</b>	<b>464,942</b>
<b>Represented by Public Equity made up of:</b>			
<b>General Equity</b>		<b>407,384</b>	<b>410,232</b>
<b>Special Purposes Equity</b>	16	<b>15,064</b>	<b>16,006</b>
<b>Asset Replacement Reserve</b>	17	<b>46,329</b>	<b>38,704</b>
		<b>468,777</b>	<b>464,942</b>

For and on behalf of the Trust Board




Dr William Randall  
Trust Board Chairman

11 October 2012

Roy Clare CBE  
Director

11 October 2012

**AUCKLAND MUSEUM TRUST BOARD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2012**

	NOTE	ACTUAL 2012 \$000s	ACTUAL 2011 \$000s
<b>Cash Flows from Operating Activities</b>			
<b>Cash was provided from:</b>			
Levy from Auckland Council		25,617	24,330
Receipts from operations		4,956	5,884
Interest received		521	703
Dividends and bequests received		69	65
		<b>31,163</b>	<b>30,982</b>
<b>Cash was applied to:</b>			
Payments to suppliers		10,581	12,042
Payments to employees		11,509	10,363
Payments relating to special purposes		462	249
Interest paid		90	177
		<b>22,642</b>	<b>22,831</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>13</b>	<b>8,520</b>	<b>8,151</b>
<b>Cash Flows from Investing Activities</b>			
<b>Cash was provided from:</b>			
Proceeds from disposal of property, plant and equipment		18	8
		<b>18</b>	<b>8</b>
<b>Cash was applied to:</b>			
Purchase of investments		3,499	4,556
Purchase of property, plant and equipment and intangibles		3,816	3,666
		<b>7,315</b>	<b>8,224</b>
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>		<b>(7,298)</b>	<b>(8,216)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Cash was applied to:</b>			
Repayment of Auckland Council carpark loan		1,000	1,000
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES</b>		<b>(1,000)</b>	<b>(1,000)</b>
<b>Net Increase (Decrease) in Cash Held</b>			
Opening cash balance		222	(1,065)
<b>Closing Cash Balance</b>		<b>372</b>	<b>150</b>
<b>Represented by:</b>			
Cash and bank		372	150
<b>Closing Cash Balance</b>		<b>372</b>	<b>150</b>

This statement is prepared net of GST. The accompanying notes and accounting policies form part of these financial statements.

AUCKLAND MUSEUM TRUST BOARD  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2012

	GENERAL EQUITY	SPECIAL PURPOSES EQUITY \$000s	ASSET REPLACEMENT RESERVE \$000s	TOTAL EQUITY \$000s
<b>EQUITY 2012</b>				
<b>Opening Balance</b>	410,232	16,006	38,704	464,942
Transfer from Statement of Comprehensive Income	608	1,041	2,186	3,835
Transfer of depreciation levy	(8,193)	-	8,193	-
Transfer of capital expenditure	4,737	(1,983)	(2,754)	-
<b>Closing Balance 30 June</b>	<b>407,384</b>	<b>15,064</b>	<b>46,329</b>	<b>468,777</b>

**EQUITY 2011**

<b>Opening Balance</b>	413,229	15,505	32,351	461,085
Transfer from Statement of Comprehensive Income	707	1,762	1,388	3,857
Transfer of depreciation levy	(8,031)	-	8,031	-
Transfer of capital expenditure	4,327	(1,261)	(3,066)	-
<b>Closing Balance 30 June</b>	<b>410,232</b>	<b>16,006</b>	<b>38,704</b>	<b>464,942</b>

The levy received from the Auckland Council includes an amount to recompense depreciation in the Museum's property, plant and equipment, the funds in respect of which are transferred from general equity to the asset replacement reserve. When expenditure is incurred on the replacement of the assets the funds are reclassified from the asset replacement reserve into general equity.

1. COSTS OF MAINTENANCE AND MANAGEMENT ACTIVITIES	ACTUAL 2012 \$000s	ANNUAL PLAN 2012 \$000s	ACTUAL 2011 \$000s
Collections and research	3,634	3,689	3,218
Life long learning and customer service	3,064	2,858	2,636
Events and programming	4,043	5,683	4,481
Commercial	2,462	2,775	2,631
Communications and media	2,457	2,645	2,610
Corporate services	7,240	7,573	7,663
Depreciation, amortisation & loss on disposals	8,105	8,193	7,495
<b>Total Maintenance and Management Costs</b>	<b>31,005</b>	<b>33,416</b>	<b>30,734</b>
<b>Development Costs</b>			
Commercial	-	-	54
Communications and media	134	211	77
Corporate services	387	479	399
<b>Total Development Costs</b>	<b>521</b>	<b>690</b>	<b>530</b>

For consistency with the Annual Plan 2012, prior period comparisons have been reclassified to align with the new activity structure for 2012.

2. COMPONENTS OF NET SURPLUS FROM OPERATING ACTIVITIES	ACTUAL 2012 \$000s	ANNUAL PLAN 2012 \$000s	ACTUAL 2011 \$000s
<b>Revenue</b>			
Income from sale of goods	1,336	1,650	1,437
Fair value of volunteers' time	534	360	377
Rental income received	128	-	102
<b>Expenses</b>			
Employee benefits:			
Salaries and wages	11,727	11,287	10,691
Defined contribution plans	167	218	124
Termination payments	46	-	4
<b>Total Employee Benefits</b>	<b>11,940</b>	<b>11,505</b>	<b>10,819</b>
Loss on disposal of fixed assets	1,071	-	667
Inventory consumption recognised	686	908	794
Fair value of volunteers' time	534	360	377
Trust and bequests funds spent	462	-	249
Trust Board fees and expenses	187	196	167
Interest	90	149	177
Taumata-a-Iwi fees and expenses	45	57	41
Auditor's fees - financial statements	43	42	50
Operating lease expenses	19	12	12
Inventory write down costs	3	-	11

Refer to notes 6 and 7 for Depreciation and Amortisation by class of assets.

The 2011 Salary and Wages figure has been re-stated from \$10,530 to \$10,691, and the Trust funds spent from \$237 to \$249 to include all Trusts and Bequest funds spent.

### 3. FINANCIAL COMMENTARY

The Museum's revenues 2012 are similar to that reported in 2011, but short of the Museum's Annual Plan target. The Rugby World Cup and postponement of a planned exhibition impacted the Museum's visitation and subsequent revenue drivers. Expenditure has been managed throughout the year so that the Net Surplus from Operating Activities was more in line with the Annual Plan.

The Museum's depreciation funding is required to fund the cost of replacing assets as they become due for replacement. The Museum's operating surplus of \$608,000 (plan \$790,000) is required to fund the Museum's new capital acquisitions.

The Museum's Equity consists of three components: General Equity representing the Museum's value of its building and Heritage Assets, Special Purposes Equity which represents the Museum's Trusts, Bequests and Reserves balances, and Asset Replacement Reserve which represents the Museum's future replacement capital commitments, as they become due.

#### 4. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of Trustees and other members of key management during the year was as follows:

	ACTUAL 2012 \$000s	ACTUAL 2011 \$000s
Short-term benefits	1,871	1,585
Termination payments	46	4
	<b>1,917</b>	<b>1,589</b>

The remuneration of Trustees is determined by the Annual Plan approved by the Auckland Council via Regional Facilities Auckland Limited, as per the Auckland War Memorial Museum Act 1996. Four key management positions recruited in 2011 were filled during that year so their remuneration recorded was for only part of that year. The 2012 remuneration figure has that remuneration for the full year. Remuneration was also higher due to the recruitment of the new Museum Director and the overlap required for handover.

The 2011 termination figure, omitted last year, has been re-stated from \$0 to \$4.

Trust Board fees for the year were \$167,828 (plan \$172,000) and Taumata-a-Iwi fees were \$43,890 (plan \$51,000).

5. EMPLOYEE BENEFITS	ANNUAL LEAVE \$000s	LONG-SERVICE LEAVE \$000s	SICK LEAVE \$000s	TOTAL LEAVE \$000s
<b>Provisions Current</b>				
Balance at 1 July 2010	724	24	35	783
Utilised	(87)	-	(35)	(122)
Increase	227	-	41	268
<b>Employee Benefits - current 2011</b>	<b>864</b>	<b>24</b>	<b>41</b>	<b>929</b>
Utilised	(166)	-	(41)	(207)
Increase	306	13	63	382
<b>Employee Benefits - current 2012</b>	<b>1,004</b>	<b>37</b>	<b>63</b>	<b>1,104</b>
	LONG-SERVICE LEAVE \$000s	RETIREMENT GRATUITY \$000s	TOTAL LEAVE \$000s	
<b>Provisions Non-Current</b>				
Balance at 1 July 2010	189	118	307	
Increase	16	8	24	
<b>Employee Benefits - non-current 2011</b>	<b>205</b>	<b>126</b>	<b>331</b>	
Increase	79	9	88	
<b>Employee Benefits - non-current 2012</b>	<b>284</b>	<b>135</b>	<b>419</b>	
<b>Expenses</b>				
<b>Total Employee Benefits 2011</b>				<b>1,260</b>
<b>Total Employee Benefits 2012</b>				<b>1,523</b>

AUCKLAND MUSEUM TRUST BOARD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

6. PROPERTY, PLANT AND EQUIPMENT	CAPITAL WIP \$000s	COLLECTION \$000s	BUILDINGS \$000s	DISPLAYS \$000s	EQUIPMENT \$000s	TOTAL \$000s
<b>Cost</b>						
Balance at 1 July 2010	599	265,239	138,494	20,746	31,560	456,638
Additions	1,342	170	204	76	1,845	3,637
Transfers	(531)	459	72	-	-	-
Disposals	-	-	(102)	(828)	(1,621)	(2,551)
Balance at 1 July 2011	1,410	265,868	138,668	19,994	31,784	457,724
Additions	825	803	661	230	1,532	4,051
Transfers	(943)	50	773	(726)	315	(531)
Disposals	(474)	-	(1,637)	-	(86)	(2,197)
Balance at 30 June 2012	818	266,721	138,465	19,498	33,545	459,047
<b>Accumulated depreciation</b>						
Balance at 1 July 2010	-	-	13,204	18,182	11,729	43,115
Depreciation expense	-	-	3,048	702	2,844	6,594
Transfers	-	-	-	-	-	-
Disposals	-	-	(60)	(768)	(1,292)	(2,120)
Balance at 1 July 2011	-	-	16,192	18,116	13,281	47,589
Depreciation expense	-	-	3,121	456	2,773	6,350
Transfers	-	-	280	(280)	-	-
Disposals	-	-	(579)	-	(62)	(641)
Balance at 30 June 2012	-	-	19,014	18,292	15,992	53,298
Carrying value 30 June 2012	818	266,721	119,451	1,206	17,553	405,749
Carrying value 30 June 2011	1,410	265,868	122,476	1,878	18,503	410,135

7. INTANGIBLE ASSETS	ACTUAL 2012 \$000s	ACTUAL 2011 \$000s
<b>Gross carrying amount</b>		
Balance at 1 July	395	1,167
Additions	447	127
Transfers from WIP	531	0
Disposals	(8)	(899)
<b>Balance at 30 June</b>	<b>1,365</b>	<b>395</b>
<b>Accumulated amortisation and impairment</b>		
Balance at 1 July	223	649
Amortisation expense	207	234
Disposals	(3)	(660)
<b>Balance at 30 June</b>	<b>427</b>	<b>223</b>
<b>Carrying value 30 June</b>	<b>938</b>	<b>172</b>

Intangible Assets represent the Museum's investment in software and other design modules, that are amortised over the life of the asset.

8. INTEREST-BEARING LOAN	ACTUAL 2012 \$000s	ACTUAL 2011 \$000s
Current Liability - payable within 12 months	-	1,000
Non-Current Liability	1,000	1,000
<b>Balance as at 30 June</b>	<b>1,000</b>	<b>2,000</b>

Unsecured loan is from Regional Facilities Auckland Limited, to fund the building of the carpark. Interest is fixed at 5.22% (2011 7.44%). It is not intended that this loan be repaid in the next twelve months.

**9. COMMITMENTS UNDER NON-CANCELABLE LEASES**

The Museum has no commitments under non-cancellable leases for 2012 (2011 nil).

**9.1 LEASING ARRANGEMENTS:**

Operating leases relate to the café area owned by the Museum with a lease term of six years, with an option to extend for a further six years from December 2012 to December 2018. The lease contract contains bi-annual rent reviews in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

<b>9.2 NON-CANCELABLE OPERATING LEASE RECEIVABLES:</b>	<b>ACTUAL 2012 \$000s</b>	<b>ACTUAL 2011 \$000s</b>
Not later than one year	51	102
Later than one year and not later than five years	-	51
	<b>51</b>	<b>153</b>

<b>10. CAPITAL COMMITMENTS</b>	<b>ACTUAL 2012 \$000s</b>	<b>ACTUAL 2011 \$000s</b>
Equipment and Projects	4,461	1,803
	<b>4,461</b>	<b>1,803</b>

**11. CONTINGENT LIABILITIES**

The Museum has a contingent liability in respect of the Accident Compensation Commission's (ACC) residual claims levy. The levy will be payable annually from May 1999 for up to 15 years. The Museum's future liability is a function of ACC's unfunded liability for past claims and future payments to employees by the Museum.

There were no other contingent liabilities at 30 June 2012 (2011 nil).

**12. CONTINGENT ASSETS**

There were no contingent assets at 30 June 2012 (2011 nil).

<b>13. RECONCILIATION OF SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>ACTUAL 2012 \$000s</b>	<b>ACTUAL 2011 \$000s</b>
<b>Net Surplus</b>	<b>3,835</b>	<b>3,857</b>
<b>Add (deduct) non-cash items:</b>		
Depreciation, amortisation & loss on disposal	8,105	7,497
Investment revaluations and reinvestments	(2,910)	(3,148)
Donation of heritage assets	(687)	(102)
Movement in employee benefits	263	170
	<b>4,771</b>	<b>4,417</b>
<b>Add (deduct) movements in working capital:</b>		
Accounts receivable	(63)	8
Inventory	156	158
Accounts payable	(86)	(123)
<b>Net cash flow from operating activities</b>	<b>8,520</b>	<b>8,151</b>

#### **14. SEGMENT INFORMATION**

The Auckland War Memorial Museum presents one segment as it is governed by the Auckland War Memorial Museum Act 1996 and operates primarily in the Auckland region with the purpose of providing the public with a War Memorial and a Museum.

#### **15. FINANCIAL INSTRUMENTS**

##### **Qualitative disclosures**

The Museum is subject to a number of financial risks which arise as a result of its activities (i.e. exposure to credit, liquidity, currency and interest risk) arising in the normal course of business.

There have been no changes during the year to the Museum's exposure to these risks, and the manner in which it manages and measures these risks.

AUCKLAND MUSEUM TRUST BOARD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

15.1 CATEGORIES OF FINANCIAL INSTRUMENTS	FAIR VALUE THROUGH PROFIT OR LOSS \$000s	LOAN AND RECEIVABLES \$000s	AT AMORTISED COST \$000s	TOTAL CARRYING AMOUNT \$000s	FAIR VALUE \$000s
<b>At 30 June 2012</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	372	-	372	372
Short-term investments	-	3,745	-	3,745	3,745
Trade receivables	-	407	-	407	407
Investments	61,393	-	-	61,393	61,393
	<b>61,393</b>	<b>4,524</b>	<b>-</b>	<b>65,917</b>	<b>65,917</b>
<b>Financial liabilities</b>					
Trade payables	-	-	2,551	2,551	2,551
Employee entitlements	-	-	1,523	1,523	1,523
Interest-bearing loan	-	-	1,000	1,000	1,000
	<b>-</b>	<b>-</b>	<b>5,074</b>	<b>5,074</b>	<b>5,074</b>
<b>NET</b>	<b>61,393</b>	<b>4,524</b>	<b>(5,074)</b>	<b>60,843</b>	<b>60,843</b>
<b>At 30 June 2011</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	150	-	150	150
Short-term investments	-	4,018	-	4,018	4,018
Trade receivables	-	492	-	492	492
Investments	54,710	-	-	54,710	54,710
	<b>54,710</b>	<b>4,660</b>	<b>-</b>	<b>59,370</b>	<b>59,370</b>
<b>Financial liabilities</b>					
Trade payables	-	-	2,395	2,395	2,395
Employee entitlements	-	-	1,260	1,260	1,260
Interest-bearing loan	-	-	2,000	2,000	2,000
	<b>-</b>	<b>-</b>	<b>5,655</b>	<b>5,655</b>	<b>5,655</b>
<b>NET</b>	<b>54,710</b>	<b>4,660</b>	<b>(5,655)</b>	<b>53,715</b>	<b>53,715</b>

## 15.2 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Auckland War Memorial Act 1996 (the Act) requires the Museum to manage and account for its revenue, expenses, assets, liabilities, investments and financial dealings generally and in accordance with the relevant financial management principles and Generally Accepted Accounting Practice, whilst remaining a going concern. Museum capital is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The Museum has a series of policies to manage the risks associated with financial instruments. The Museum is risk averse and seeks to minimise exposure from its treasury activities through the diversification of its investments by investing largely in a portfolio comprising of Australasian Equities, Global Equities, Domestic Fixed Term Interest and Global Fixed Interest securities. The Museum has established Museum Approved Financial Management and Investment policies. These provide a framework for the management of financial resources in an efficient and effective way.

The Museum does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes.

## 15.3 CREDIT RISK - TRADE RECEIVABLES

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Museum.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Museum's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The average credit period on sales of goods and rendering of services as at 30 June 2012 is 54 days (2011 59 days). No interest is charged on trade receivables. Included in the allowance for doubtful debts are individually impaired trade receivables. The impairment recognised represents the difference between the carrying amount of those trade receivables and the present value of the expected liquidation proceeds. The Museum does not hold any collateral over these balances. The Museum has provided fully for all debt considered not recoverable, determined by reference to past default experience.

Before accepting a new customer, the Museum assesses the potential customer's credit quality and defines credit limits by customer. The trade receivables are constantly reviewed throughout the month and limits are reviewed should the customer not meet the Museum's credit requirements. There are two customers who represent more than 5% of the total balance of trade receivables.

The Museum has minimal exposure to a large volume of small value trade receivables arising from group and school visits and venue hire. Credit checks are done on new customers and deposits obtained for venue hire. Prompt action is taken to collect overdue amounts. Bad debt write-offs in 2012 were \$0. (2011 \$0). A doubtful debt provision is created when debtors become doubtful.

Ageing of past due but not impaired trade receivables	ACTUAL 2012 \$000s	ACTUAL 2011 \$000s
Current	317	192
30-60 days	20	23
60-120 days	70	56
<b>Total</b>	<b>407</b>	<b>271</b>

In determining the recoverability of trade receivable, the Museum considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly the Museum believes that there is no further credit provision required in excess of the allowance for doubtful debts.

#### 15.4 CREDIT RISK

Operating funds not immediately required are invested in accordance with the Investment Policy. Investments in NZ Fixed Interest and Global Fixed Interest securities are managed for the Museum by fund managers whose practice is to invest in high-grade debt and short-maturity credit securities.

Global fixed interest investment is invested with investors with a Standard & Poor's minimum credit rating of 'A-'. New Zealand fixed interest investments is invested with investors with a Standard and Poor's minimum credit rating of 'BBB-'. To reduce the credit exposure of the managed investments the Museum has invested in diversified asset classes and within each of these classes there is a maximum limit that can be invested in any one institution or entity. Thus investments are placed across a portfolio of parties to minimise credit risk. There is no significant concentration of credit risk.

#### 15.5 LIQUIDITY RISK

Liquidity risk is the risk that the Museum will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management requires maintaining sufficient cash.

The Museum manages liquidity risk by maintaining adequate funds on deposits, reserves and banking facilities by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Museum is able to meet its contractual obligations from the levy from Auckland Council, and self-generated revenue.

**Liquidity Risk**

The analysis below is based on contractual undiscounted cash flows of financial liabilities:

	WEIGHTED AVERAGE INTEREST RATE	CONTRACTUAL CASH FLOW \$000s	LESS THAN 1 YEAR \$000s	2-5 YEARS \$000s
<b>30 June 2012</b>				
Trade and other payables	-	2,551	2,551	-
Employee benefits	-	1,523	1,104	419
Interest-bearing loan	5.52%	1,104	52	1,052
<b>Total</b>		<b>5,178</b>	<b>3,707</b>	<b>1,471</b>
The Museum has the following liquid assets to meet its liabilities:				
Cash and cash equivalents	2.50%	372	372	-
Short-term investments	4.91%	3,745	3,745	-
Receivables and other assets	-	1,024	1,024	-
		<b>5,141</b>	<b>5,141</b>	-
<b>30 June 2011</b>				
Trade and other payables	-	2,395	2,395	-
Employee benefits	-	1,260	929	331
Interest-bearing loan	7.44%	2,223	1,149	1,074
<b>Total</b>		<b>5,878</b>	<b>4,473</b>	<b>1,405</b>
The Museum has the following liquid assets to meet its liabilities:				
Cash and cash equivalents	2.75%	150	150	-
Short-term investments	6.00%	4,018	4,018	-
Receivables and other assets	-	875	875	-
		<b>5,043</b>	<b>5,043</b>	-

#### 15.6 CURRENCY RISK

Currency risk is the risk that the Museum will suffer losses arising from significant movements in NZD currency in relation to other currencies, when paying for special exhibitions, other overseas purchases or when valuing Global Fixed Interest securities.

The Museum has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies arising from investing and exhibition activities. Foreign exchange risks on investment funds are hedged by the funds manager as considered necessary. Forward exchange contracts are taken out to cover exhibition commitments. There was no exposure for exhibitions at 30 June 2012 (2011 nil).

Foreign exchange risks on Global Fixed Interest securities are fully hedged while hedging of Global Equities ranges from 50% to 100%, as considered appropriate by the fund managers. For the year ended 30 June 2012 overseas investment funds were hedged AUD 79-100%, USD 50% and EUR 50% (2011 AUD 100%, USD 50% and EUR 50%).

A variable of 10% was selected for price risk as this is a reasonably expected movement based on historic trends in equity values. A 10% basis point increase or decrease is used when reporting exchange rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in exchange rates. As at the balance sheet date the Museum was exposed to the following foreign currencies:

	NZD \$000s	USD \$000s	EUR \$000s	AUD \$000s	TOTAL \$000s
Cash	372	-	-	-	372
Short-term Investments	3,745	-	-	-	3,745
Trade and Other Receivables	578	-	-	-	578
<b>Investments - split by:</b>					
Equities	8,657	14,685	5,226	2,215	30,783
Fixed Interest	25,185	3,415	-	-	28,600
Cash deposits	2,010	-	-	-	2,010
Financial Liabilities	(5,074)	-	-	-	(5,074)
	<b>35,473</b>	<b>18,100</b>	<b>5,226</b>	<b>2,215</b>	<b>61,014</b>

As at 30 June 2012 if the currency on Investments had fluctuated + or -10%, the surplus for the Museum would have been \$1.044 million lower/higher (2011 \$0.765 million lower/higher). A 10% currency rate increase or decrease is used when reporting currency rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in currency rates.

### **15.7 INTEREST RATE RISK**

The Museum is exposed to interest rate risk as it invests cash in short-term and long-term deposits at fixed interest rates. Refer to 15.1 for a summary by asset class.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments at fixed interest rates expose the Museum to fair value interest rate risk.

The Museum has potential exposure to interest rates on its short-term investments. These exposures are managed by investing in bank deposits maturing in less than 12 months. The range of interest rates is reported monthly.

As at 30 June 2012 if interest rates on cash and cash equivalents, and short-term investments had fluctuated + or -1%, the surplus for the Museum would have been \$46,000 higher/lower (2011 \$53,000 higher/lower). A 1% interest rate increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

### **15.8 OTHER PRICE RISK**

The Museum has potential exposure to changes in equity prices in its investments in Australasian Equities and Global Equities. All equity investments present a risk of loss of capital often due to factors beyond the Fund Manager's control such as competition, regulatory changes, commodity price changes and changes in general economic climate domestically and internationally. The fund managers moderate this risk through careful investment selection and diversification, daily monitoring of the funds market position and adherence to the funds investment policy. The maximum market risk resulting from financial instruments is determined by their fair value.

A variable of 10% was selected for price risk as this is a reasonably expected movement based on historic trends in equity indexes. A 10% increase or decrease is used when reporting equity index risk internally to key management personnel and represents management's assessment of the reasonably possible change in equity indexes. As at 30 June 2012 if the equity indexes had fluctuated + or -10%, the surplus for the Museum would have been \$3.078 million higher/lower (2011 \$2.654 million higher/lower). A 10% market rate increase or decrease is used when reporting market rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in market rates.

### **15.9 FAIR VALUES**

The carrying value of cash and cash equivalents, short-term investments, receivables, payables and interest-bearing loans is equivalent to their fair value.

#### **Classification and fair values**

The fund managers manage the Museum's investments and make purchase and sale decisions based on their fair value and in accordance with investment strategy. Financial assets at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in fair value of the 'Financial assets at fair value through the profit or loss' category are presented in the Statement of Comprehensive Income when they arise.

**15.10 FAIR VALUE MEASUREMENTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION**

Financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable.

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices. Financial assets in this category include managed funds. There are no financial liabilities in this category.

The Museum has managed funds at fair value in level 1 as at 30 June 2012 of \$61.393m (2011 \$54.710m).

**Level 1** - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2** - fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

**Level 3** - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between level 1 and 2 in the period.

There are no financial assets in levels 2 and 3.

16. SPECIAL PURPOSES EQUITY	BALANCE 2011 \$000s	LEVIES, GIFTS & BEQUESTS \$000s	INVESTMENT NET INCOME \$000s	OPERATING EXPENDITURE \$000s	CAPITAL EXPENDITURE \$000s	BALANCE 2012 \$000s
<b>Restricted Trusts and Bequest Equity Trusts</b>						
Levingston Cooke Family Bequest	3,090	56	143	(214)	-	3,075
Edward Earle Vaile Trust Fund	1,123	-	52	-	-	1,175
The Waldo Heap Bequest	424	-	20	(52)	-	392
Life Members' Subscription Trust	109	-	5	(12)	-	102
Auckland Museum Endowment Act	59	-	3	-	-	62
Margaret Blythe reserve	57	-	3	-	-	60
AWMME&B Omnibus Trust	50	-	2	-	-	52
Others under \$15,000	58	8	3	-	-	69
<b>Restricted Gifts &amp; Bequests</b>						
Nancy Bamford bequest	755	-	35	(34)	-	756
Others under \$15,000	69	-	3	-	-	72
<b>Gifts &amp; Bequests Subject to Wishes</b>						
A G W Dunningham bequest	159	-	8	-	-	167
Memorial Hall donations	121	-	5	-	-	126
K Pritchard bequest	71	-	3	-	-	74
Len Coakley Trust Fund	62	-	3	(50)	-	15
C Whitney Trust	19	-	1	-	-	20
	6,226	64	289	(362)	-	6,217
<b>Special Purpose Museum Reserves</b>						
Catherine E Tong reserve	115	-	5	(100)	-	20
Ko Tawa reserve	34	-	2	-	-	36
Exhibition reserve	642	-	30	-	-	672
Others under \$15,000	-	5	-	-	-	5
	791	5	37	(100)	-	733
<b>Special Purposes Reserves</b>	<b>7,017</b>	<b>69</b>	<b>326</b>	<b>(462)</b>	<b>-</b>	<b>6,950</b>
<b>Capital Reserves</b>						
Spedding Reserve	4,519	-	212	-	-	4,731
Acquisitions Reserve	350	687	16	-	(686)	367
Heritage Capital Reserve	3,120	-	146	-	(297)	2,969
Carpark Loan Reserve	1,000	-	47	-	(1,000)	47
	8,989	687	421	-	(1,983)	8,114
	16,006	756	747	(462)	(1,983)	15,064

The Museum holds Special Purpose funds which are invested in financial assets. The assets are invested largely in a portfolio comprising Australasian Equities, International Equities, Domestic Fixed Term Interest and Global Fixed Interest securities and are accounted for at fair value through profit or loss. Fair values of these types of financial assets fluctuate due to changes in market prices arising from currency risk, interest rate risk and other price risk.

Restricted investments have been provided to the Museum for specific purposes determined by the donor and the Museum is obligated to use the funds for these specific purposes.

**Nature and purpose of each reserve:**

**Trusts** - trusts and bequests for general purposes.

**Restricted Gifts and Bequests** - trusts and bequests subject to special restrictions.

**Gifts and Bequests Subject to Wishes** - trusts and bequests for special purposes as per the wishes of the donors.

**Special Purpose Museum Reserves** - specific reserves established to meet the ongoing and future needs of the Museum.

**Capital Reserves** - specific reserves established to meet the long-term future capital needs of the Museum as they become due.

	BALANCE 2010 \$000s	LEVIES, GIFTS & BEQUESTS \$000s	INVESTMENT NET INCOME \$000s	OPERATING EXPENDITURE \$000s	CAPITAL EXPENDITURE \$000s	BALANCE 2011 \$000s
<b>Restricted Trusts and Bequest Equity Trusts</b>						
Levingston Cooke Family Bequest	3,010	60	174	(154)	-	3,090
Edward Earle Vaile Trust Fund	1,060	-	61	2	-	1,123
The Waldo Heap Bequest	461	-	27	(64)	-	424
AWMME&B Omnibus Trust	47	-	3	-	-	50
Life Members' Subscription Trust	121	-	7	(19)	-	109
Auckland Museum Endowment Act	56	-	3	-	-	59
Bertha Wilson-cinematography	54	-	3	-	-	57
Others under \$10,000	49	5	4	-	-	58
<b>Restricted Gifts &amp; Bequests</b>						
Nancy Bamford bequest	727	-	42	(14)	-	755
Others under \$10,000	65	-	4	-	-	69
<b>Gifts &amp; Bequests Subject to Wishes</b>						
A G W Dunningham bequest	151	-	8	-	-	159
C Whitney Trust	18	-	1	-	-	19
K Pritchard bequest	67	-	4	-	-	71
Len Coakley Trust Fund	59	-	3	-	-	62
Memorial Hall donations	114	-	7	-	-	121
	6,059	65	351	(249)	-	6,226
<b>Special Purpose Museum Reserves</b>						
Catherine E Tong reserve	109	-	6	-	-	115
Ko Tawa reserve	32	-	2	-	-	34
Exhibition reserve	607	-	35	-	-	642
	748	-	43	-	-	791
<b>Special Purposes Reserves</b>	<b>6,807</b>	<b>65</b>	<b>394</b>	<b>(249)</b>	<b>-</b>	<b>7,017</b>
<b>Capital Reserves</b>						
Spedding Reserve	4,273	-	246	-	-	4,519
Acquisitions Reserve	325	108	19	-	(102)	350
Heritage Capital Reserve	3,100	-	179	-	(159)	3,120
Carpark Loan Reserve	1,000	-	1,000	-	(1,000)	1,000
	8,698	108	1,444	-	(1,261)	8,989
<b>Total</b>	<b>15,505</b>	<b>173</b>	<b>1,838</b>	<b>(249)</b>	<b>(1,261)</b>	<b>16,006</b>

AUCKLAND MUSEUM TRUST BOARD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

17. ASSET REPLACEMENT RESERVE	OPENING BALANCE \$000s	LEVIES, GIFTS & BEQUESTS \$000s	INVESTMENT NET INCOME \$000s	OPERATING EXPENDITURE \$000s	CAPITAL EXPENDITURE \$000s	CLOSING BALANCE \$000s
Asset Replacement Reserve 2012	38,704	8,193	2,186	-	(2,754)	46,329
Asset Replacement Reserve 2011	32,351	8,031	1,388	-	(3,066)	38,704

The Museum receives funding for asset replacement (including depreciation). The difference between the amount funded and the sum spent on capital expenditure each year is recorded within the Asset Replacement Reserves. The Museum is currently finalising its gallery, space and storage plans for the next 15-25 years. Once this *Future Museum* plan is complete and approved, a major gallery refurbishment project team will be established to carry out this work. Expenditure over the next few years will see the Asset Replacement Reserve balance reduce considerably.

18. INVESTMENTS RESTRICTED	ACTUAL 2012 \$000s	ACTUAL 2011 \$000s
<b>Balance as at 30 June:</b>		
Investments - restricted	61,393	54,710
Represents:		
Special Purposes Equity	15,064	16,006
Asset Replacement Reserve	46,329	38,704
	<b>61,393</b>	<b>54,710</b>

These funds have been set aside by the Museum for specific purposes, or have been gifted to the Museum for use of a specific purpose. Refer to note 16 for the nature and purpose of each trust and bequest and reserve.

#### **19. RELATED PARTIES**

Related parties are those entities that have some control, joint control or some influence on the governance and/or activities of the Museum.

Related parties include the Trust Board, the Taumata-a-Iwi, the Director, the key management personnel, Regional Facilities Auckland Limited, Auckland Council, and Museum Institute.

Regional Facilities Auckland Limited is a statutory body which appoints five members to the Auckland Museum Trust Board and approves the Museum's annual plans and annual reports, as referred to in the Auckland War Memorial Museum Act 1996, on behalf of the Auckland Council who are presently responsible for paying the annual levy. Financial transactions with Auckland Council include payment of rates, principal, interest and sundry charges 2012 \$1.614 million (2011 \$1.665 million) and received levy of \$25.617 million (2011 \$24.330 million). No sums have been written off or provisions made during the year or at year end 2012 (2011 nil).

The Museum Institute is the learned society and membership body, as referred to in the Auckland War Memorial Museum Act 1996. The Museum Institute appoints four members of the Auckland Museum Trust Board, and supports the Museum in its objectives and functions as specified in the Act. Financial transactions with the Museum Institute include distribution to the Museum Institute of the Life Members funds 2012 \$11,400 (2011 \$19,180), and reimbursement of charges processed on behalf of the Museum Institute and contributions towards Museum activities and projects 2012 \$47,231 (2011 \$63,745). As at 30 June 2012 the Museum Institute owed to the Museum \$7,586 (2011 \$4,043). There is no security for this debt. No sums have been written off or provisions made during the year or at year end 2012 (2011 nil).

The remuneration of key management personnel including board members is disclosed in note 4.

#### **20. POST BALANCE DATE EVENTS**

There are no matters arising since 30 June 2012 that would materially affect the Museum's Statement of Financial Position and Statement of Comprehensive Income as at 30 June 2012.

## INDEPENDENT AUDITOR'S REPORT TO THE AUCKLAND MUSEUM TRUST BOARD

### Report on the Financial Statements

We have audited the financial statements of the Auckland Museum Trust Board on pages 59 to 89, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Auckland Museum Trust Board, as a body, in accordance with Section 28 of the Auckland War Memorial Museum Act 1996. Our audit has been undertaken so that we might state to the Auckland Museum Trust Board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Auckland Museum Trust Board, as a body, for our audit work, for this report, or for the opinions we have formed.

### Auckland Museum Trust Board's Responsibility for the Financial Statements

The Auckland Museum Trust Board is responsible for the preparation and fair presentation of financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Auckland Museum Trust Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auckland Museum Trust Board responsibilities arise from the Auckland War Memorial Museum Act 1996.

### Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we have no relationship with or interests in the Auckland Museum Trust Board.

### Opinion

In our opinion, the financial statements on pages 59 to 89 present fairly, in all material respects, the financial position of the Auckland Museum Trust Board as at 30 June 2012, and its financial performance and cash flows for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.



**Chartered Accountants**  
11 October 2012  
Auckland, New Zealand

This audit report relates to the financial statements of the Auckland Museum Trust Board for the year ended 30 June 2012 included on The Auckland War Memorial Museum website. The Auckland Museum Trust Board is responsible for the maintenance and integrity of The Auckland War Memorial Museum website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 11 October 2012 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Annual Report 2011/2012 Financial Commentary

A New Zealand economy struggling to rise above a worldwide recession provided the Museum Trust Board with a very challenging commercial environment in the past year. The Rugby World Cup opportunities did not materialise and many commercial revenue streams suffered as a result. Through the Museum's sustainability initiatives and cost savings, maximising revenue where possible and by ensuring maximum value has been obtained from all expenditure, the Museum has recorded an Operating surplus of \$608,000 (plan \$790,000).

In addition a Special Purposes surplus of \$3,227,000 was earned (last year \$3,150,000).

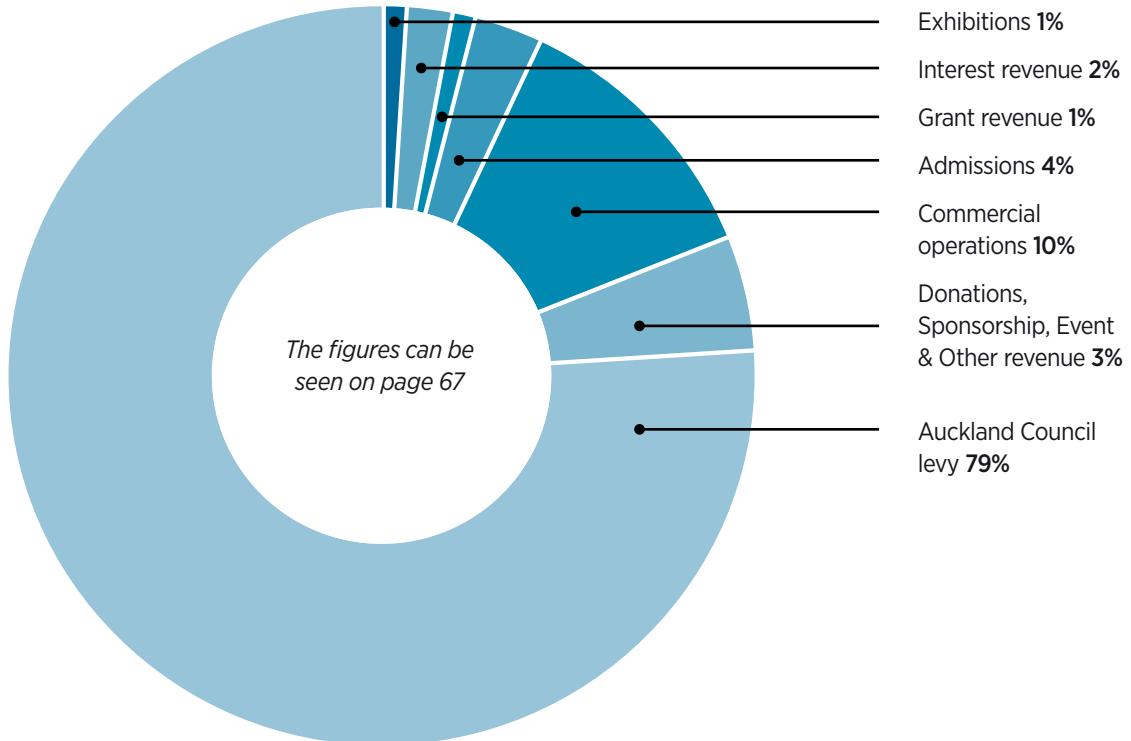
The Special Purposes surplus was derived from the investment of the Museum's trusts and bequests, and reserves; the most significant reserve being the Asset Replacement Reserve. The Asset Replacement Reserve is restricted to provide funding for the Museum's capital assets as they need to be replaced. As funding to this reserve is based on historical costs, this reserve is invested and the return on that investment assists to fund the asset replacement cost that has increased due to inflation. Investment earnings although reduced this year, provided a net return of 5% (6% in 2011), in line with financial market trends.

The Museum achieved revenue of \$6,607,000 (last year \$7,818,000) in addition to the Auckland Council levy. This was a good result given the difficult economic circumstances.

Commercial revenue was less than last year due to reduced venue hire and shop sales. 2011 Donations, Sponsorship, Events & Other revenue included one-off in-kind sponsorship of \$580,000 for the *Outrageous Fortune* exhibition. Exhibitions revenue was above last year.

Museum total revenue is from the following sources:

## 2012 Revenue

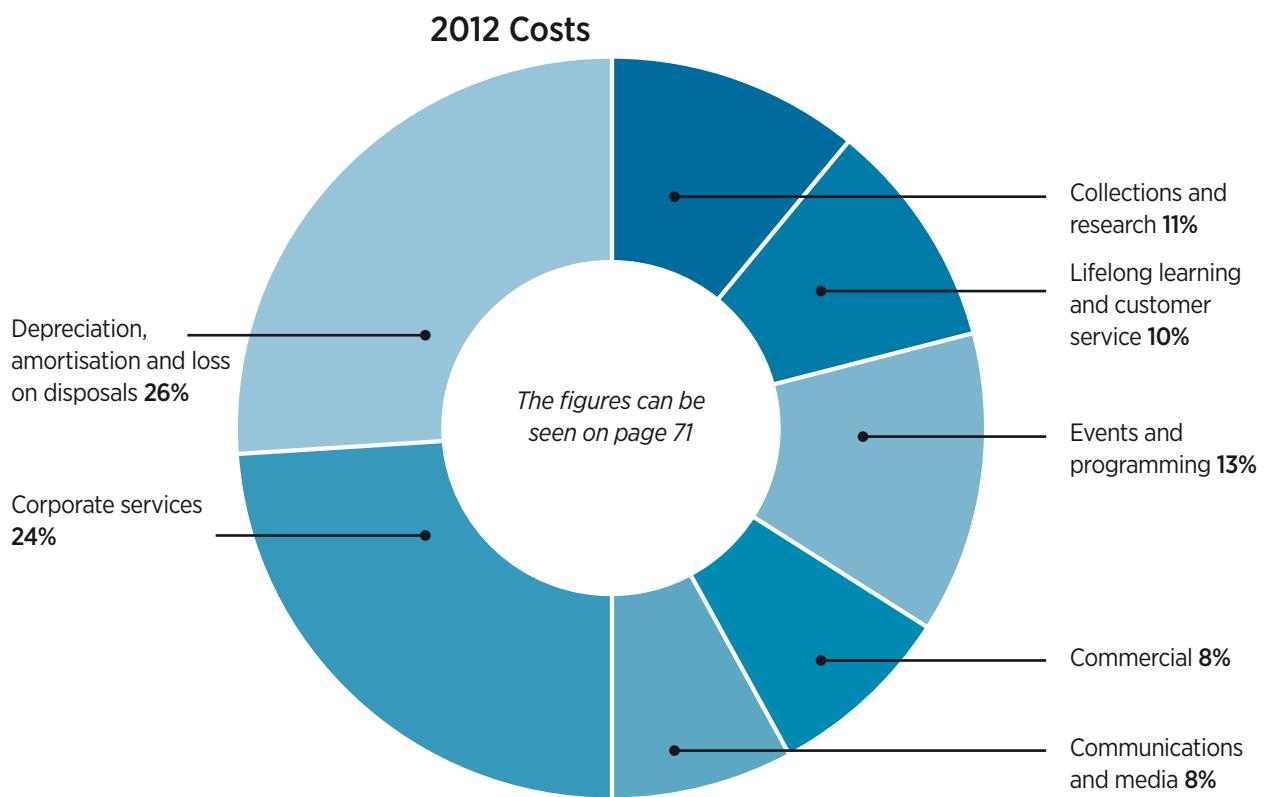


Considerable effort and commitment has seen a significant reduction of the Museum's energy costs and carbon footprint the past eighteen months. The Museum is on target to achieve 30% energy savings by the end of 2013. In the last year the Museum also reduced its carbon footprint by 12.1% and this will continue to shrink

as more energy savings are realised and when the impact of the Museum's re-cycling programme takes full effect.

Spending throughout the Museum was contained in the year in order to ensure the net surplus from operating activities remained in line with the surplus projected in the Annual Plan.

The Museum's total cost by activity is:



Significant differences to plan that contributed to the 2011-2012 result include:

- Special exhibitions revenue was \$1,294,000 less than the projection of \$1,679,000. The cancellation of a significant exhibition and the lower-than-expected admission revenue from *Poisoners* and *Aqua* accounted for this shortfall.
- Interest revenue of \$498,000 (last year \$625,000) due to reduced term deposit interest rates.
- Donations, Sponsorship, Public Event and other revenue was below plan by \$486,000, mainly as a result of reduced sponsorship being secured.
- Admission Revenue was \$1,138,000 (\$287,000 less than plan) due to lower domestic and international tourist visits.
- Commercial revenue was below plan by \$551,000, and below revenue realised last year by \$548,000. The commercial event businesses and retail suffered during the Rugby World Cup as this business was centred on the World Cup activities, and also because of the general recession.
- Total expenses were \$2,639,000 below plan reflecting the cancellation of one special exhibition, savings made and the reduction of expenditure in line with revenue generated.
- Special Purposes revenue includes the increase in value of the investments managed by external managers, heritage assets donated recognised at their fair value, together with donations and interest.

